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Economic
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Service

TVS-229

July 1983

Vegetable

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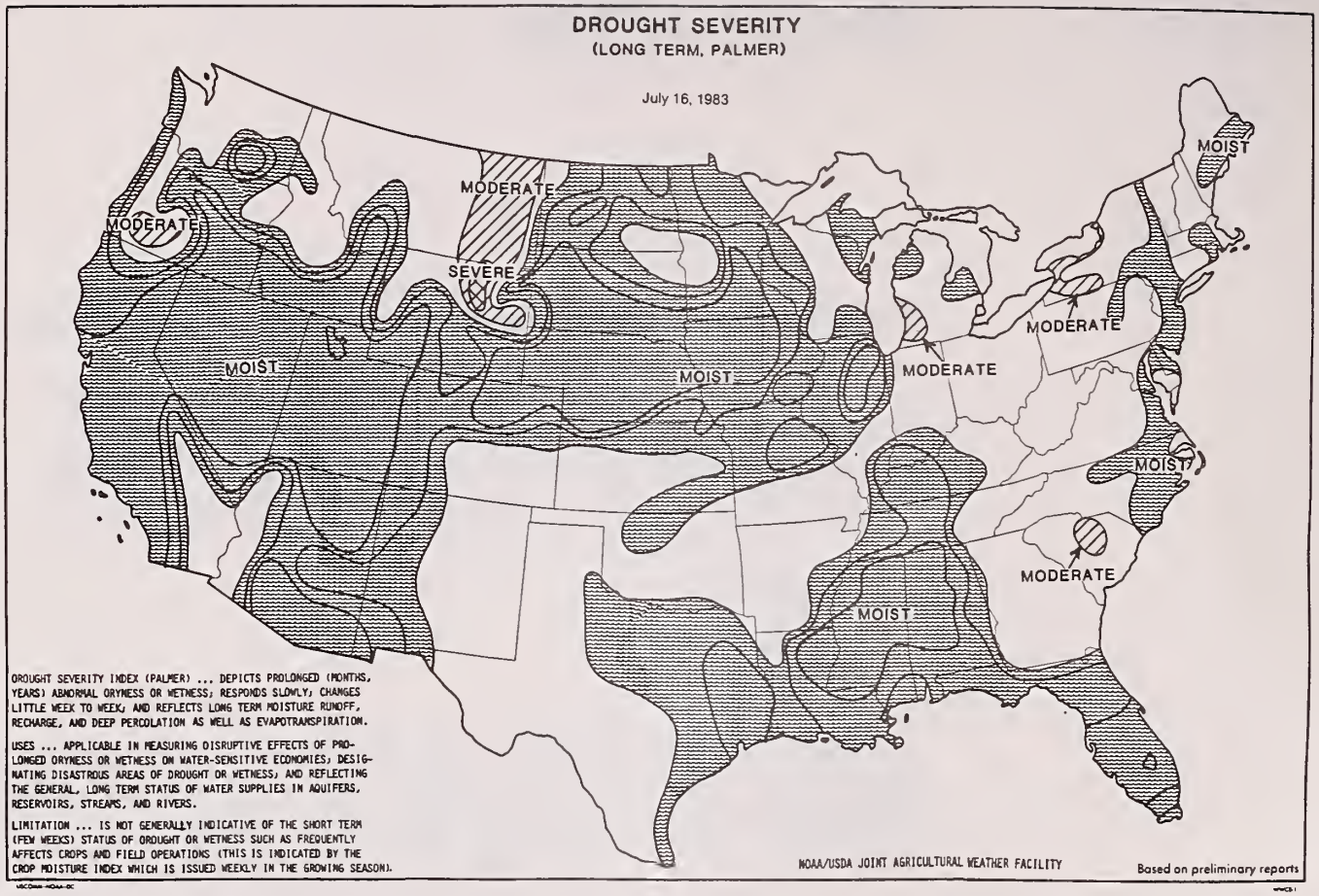
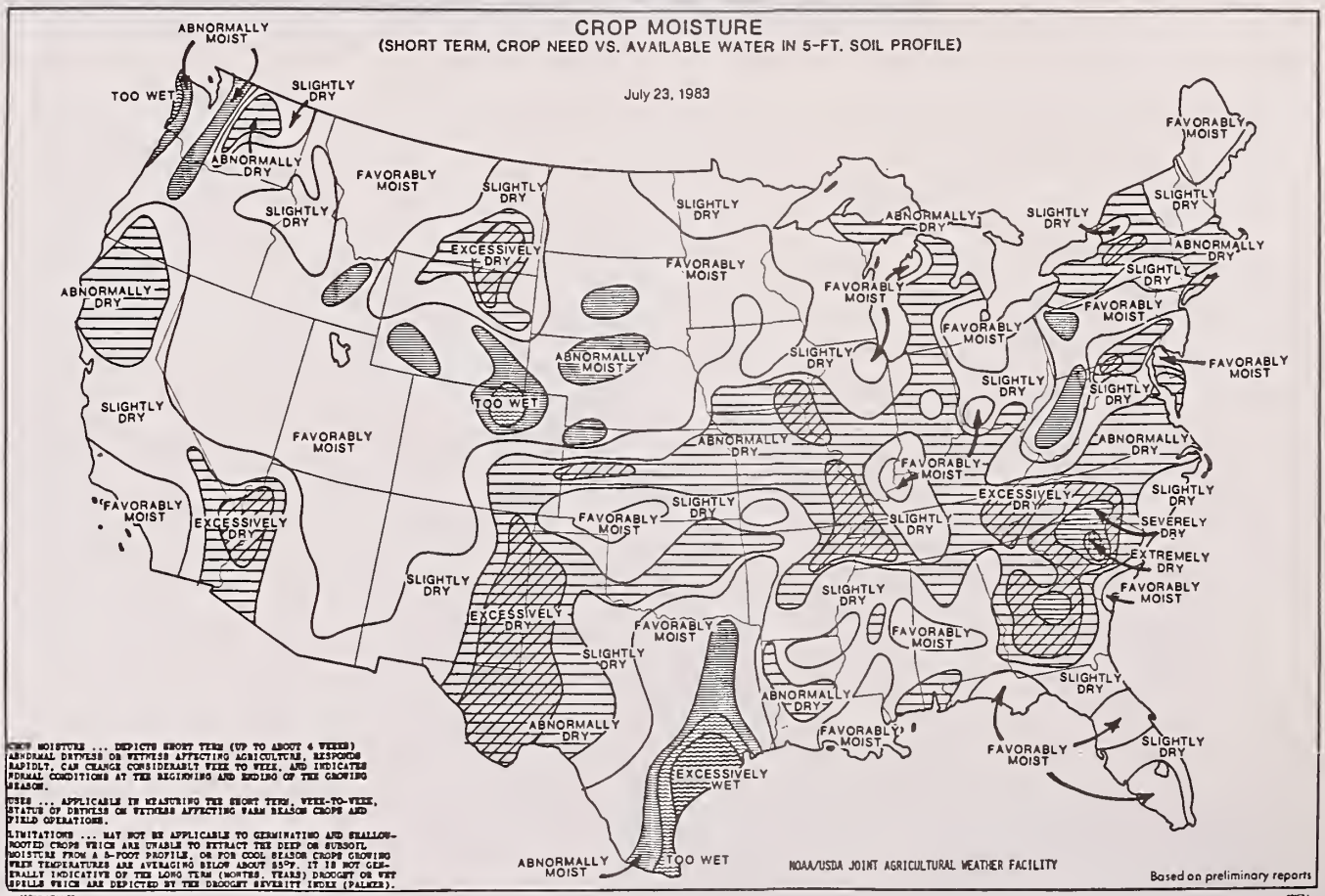
OUTLOOK & SITUATION


DROUGHT SEVERITY
(LONG TERM, PALMER)
July 16, 1983
MODERATE
MODERATE
SEVERE
MOIST
MOIST
MOIST
MODERATE
MODERATE
MODERATE
MOIST
MOIST
DROUGHT SEVERITY INDEX (PALMER) ... DEPICTS PROLONGED (MONTHS, YEARS) ABNORMAL DRYNESS OR WETNESS; RESPONDS SLOWLY; CHANGES LITTLE WEEK TO WEEK; AND REFLECTS LONG TERM MOISTURE RUNOFF, RECHARGE, AND DEEP PERCOLATION AS WELL AS EVAPOTRANSPIRATION.
USES ... APPLICABLE IN MEASURING DISRUPTIVE EFFECTS OF PROLONGED DRYNESS OR WETNESS ON WATER-SENSITIVE ECONOMIES; DESIGNATING DISASTROUS AREAS OF DROUGHT OR WETNESS; AND REFLECTING THE GENERAL, LONG TERM STATUS OF WATER SUPPLIES IN AQUIFERS, RESERVOIRS, STREAMS, AND RIVERS.
LIMITATION ... IS NOT GENERALLY INDICATIVE OF THE SHORT TERM (FEW WEEKS) STATUS OF DROUGHT OR WETNESS SUCH AS FREQUENTLY AFFECTS CROPS AND FIELD OPERATIONS (THIS IS INDICATED BY THE CROP MOISTURE INDEX WHICH IS ISSUED WEEKLY IN THE GROWING SEASON).
NOAA/USDA JOINT AGRICULTURAL WEATHER FACILITY
Based on preliminary reports


CROP MOISTURE
(SHORT TERM, CROP NEED VS. AVAILABLE WATER IN 5-FT. SOIL PROFILE)
July 23, 1983
ABNORMALLY MOIST
TOO WET
SLIGHTLY DRY
ABNORMALLY DRY
FAVORABLY MOIST
EXCESSIVELY DRY
EXCESSIVELY WET
SEVERELY DRY
EXTREMELY DRY
CROP MOISTURE ... DEPICTS SHORT TERM (UP TO ABOUT 4 WEEKS) ABNORMAL DRYNESS OR WETNESS AFFECTING AGRICULTURE, RESPONDS RAPIDLY, CAN CHANGE CONSIDERABLY WEEK TO WEEK, AND INDICATES NORMAL CONDITIONS AT THE BEGINNING AND ENDING OF THE GROWING SEASON.
USES ... APPLICABLE IN MEASURING THE SHORT TERM, WEEK-TO-WEEK, STATUS OF DRYNESS OR WETNESS AFFECTING FARM SEASON CROPS AND FIELD OPERATIONS.
LIMITATIONS ... MAY NOT BE APPLICABLE TO GERMINATING AND SHALLOW-ROOTED CROPS WHICH ARE UNABLE TO EXTRACT THE DEEP OR SUBSOIL MOISTURE FROM A 5-FOOT PROFILE, OR FOR COOL SEASON CROPS GROWING WHEN TEMPERATURES ARE AVERAGING BELOW ABOUT 45°F. IT IS NOT GENERALLY INDICATIVE OF THE LONG TERM (MONTHS, YEARS) DROUGHT OR WET SPELLS WHICH ARE DEPICTED BY THE DROUGHT SEVERITY INDEX (PALMER).
NOAA/USDA JOINT AGRICULTURAL WEATHER FACILITY
Based on preliminary reports

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The next summary of the Vegetable Outlook and Situation is scheduled for release on October 29. It will appear on the AGNET computer system by 3:30 ET the same day. The full text and tabular materials will be added to AGNET approximately two business days later. For more information on AGNET, call (202) 472-1892.

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Summary

After declining seasonally from this spring's highs, grower and retail prices of most fresh vegetables during the summer quarter will probably average moderately above a year earlier. Meanwhile, supplies of processed vegetables for 1983/84 will be slightly smaller than last year's large volume, which should continue the pattern of stable prices. Smaller acreage planted to potatoes, sweetpotatoes, and dry beans this year will trigger higher grower prices for these crops.

For the summer quarter, harvest area for fresh vegetables is down 1 percent from 1982. The wet, cool spring delayed crop development and likely will reduce yields of many vegetables. Smaller supplies, plus an improved economy and higher transportation costs, will likely boost grower and retail prices from last year's lows. The grower price index for fresh vegetables this summer may average 10 to 20 percent higher, while the retail price index (excluding potatoes) could rise about a tenth. For all of 1983, both indexes will be up moderately from the year before.

Although spring rains wreaked havoc with vegetable production, large production of nine vegetables and melons during January-February left first-half 1983 output unchanged from a year ago. Meanwhile, grower and retail prices during first-half 1983 averaged 3 percent less. In 1982, in contrast, Florida freezes and sharply curtailed lettuce production in the western desert areas tightened supplies and sent fresh vegetable prices soaring.

Harvested area of fall-crop potatoes is forecast to fall 3 percent from 1982, presaging higher grower and retail prices. Low prices for last season's crop and reduced contract needs by processors probably influenced the cutback. Other factors may lend further strength to prices. The economy is on the mend, which could stimulate use of frozen potato products. Also, reduced world output may allow the United States to export more than its normally small volume. The 1983/84 season average price will likely range from $5 to $5.50 a cwt, compared with $4.59 and $5.41, respectively, for the 1982/83 and 1981/82 crops.

Sweetpotato acreage this year is the lowest on record, so prices should revive and range much higher than last year. Meanwhile, dry bean acreage slipped to its lowest level since 1921 due to low prices for the 1982 crop and sluggish export demand. With dry bean crops also down sharply in other importing and exporting countries, much higher prices are in the offing for the 1983 crop. However, the high value of the U.S. dollar could limit export sales and price advances.

The retail price index for processed vegetables during first-half 1983 was unchanged from a year ago because of the large 1982/83 supplies. Although 1983/84 supplies will be smaller, they should be ample enough to prevent rapid price runups. Moderating increases in marketing costs will also aid price stability. Some items, such as canned green peas and snap beans and frozen broccoli and spinach, could be in reduced supply, though. Canned tomatoes and canned and frozen sweet corn will be abundant.

GROWER AND RETAIL PRICE INDEXES

	Grower Indexes		Retail Indexes	
	Commercial vegetables	Potatoes, Etc.[1]	Fresh vegetables	Processed vegetables
	1977=100		*1967=100*	*Dec. 1977=100*
1980	113	129	242	118
1981	136	177	287	132
1982	127	125	288	139
1983[2]	125-135	120-130	280-300	138-142
I	124	90	279	138
II	142	130	316	138
III[2]	105-125	140-150	270-300	139-141

[1]Includes sweetpotatoes and dry edible beans. [2]ERS forecast

PER CAPITA CONSUMPTION

	1972	1980	1981	1982
	Pounds per person			
Vegetables[1]				
Fresh[2]	96.8	107.1	104.9	109.4
Canned[3]	51.9	48.7	45.6	45.9
Frozen[3]	9.9	10.4	11.5	10.9
Total[2]	212.9	217.1	214.8	220.9
Melons[2]	21.8	19.3	20.7	22.4

[1]Excludes potatoes and sweetpotatoes. [2]Fresh-weight equivalent. [3]Product weight.

Vegetable Situation

VEGETABLE SUPPLY, DEMAND, AND PRICE OVERVIEW

Farm Situation

Cash Receipts To Increase in 1983

At midyear, it appears growers of vegetable crops (fresh and processing vegetables, potatoes, dry beans and peas, mushrooms, and sweetpotatoes) will enjoy higher cash receipts from marketings than in 1982. Returns will likely rise 2 to 5 percent from $8.5 billion in 1982. Meanwhile, cash receipts for all crops in 1983 are currently estimated at $65 to $69 billion, down from $74.4 billion in 1982.

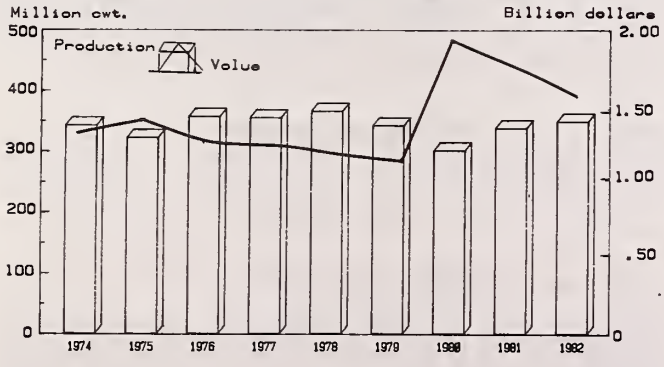
Growers of fresh-market vegetables will share in the rise in receipts. Spring rains reduced supplies of fresh vegetables and pushed up prices. A slightly smaller summer harvest area and improving demand should maintain prices over last year's depressed level through second-half 1983.

Grower prices for potatoes, sweetpotatoes, and dry beans had slumped from last fall until this spring, but then advanced to near a year earlier. Potato prices jumped sharply because of reduced spring and summer crops and good demand for table and chipping potatoes. With fall-crop potato acreage down moderately from a year ago, the attendant production decline should buoy 1983/84 prices.

Growers of dry beans have been reluctant to sell at prices that were the lowest in 10 years, which has forced prices up over the past few months. A steep acreage cutback this year, in addition to output declines in other exporting and importing countries, may foster further price gains in the year ahead. However, any gains will be tempered by the current and expected high value of the U.S. dollar.

Sweetpotato production has steadily declined during the 20th century, and since the mid-1960's, has varied considerably. Last year's crop was the largest since 1965 and brought low prices. In contrast, this year's planted acreage is the lowest on record and should revive grower prices during 1983/84.

Potatoes:
U. S. Production and Value



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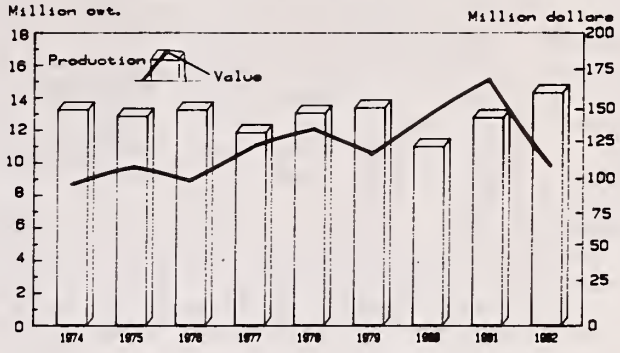
Sweetpotatoes:
U. S. Production and Value



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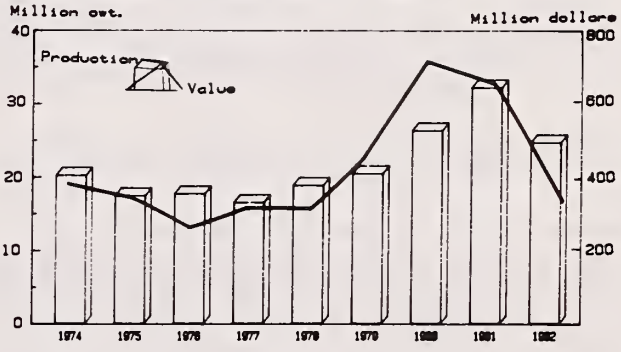
Dry Edible Beans:
U. S. Production and Value



USDA Neg. ERS 358-83 (07)

Lower contract prices for some major items and reduced production of most crops will push down cash returns to growers of processing vegetables. The lower prices stem from the large 1982/83 processed vegetable supply and fewer crop alternatives. This past spring's wet, cool weather, meanwhile, contributed to a likely decline in output.

Vegetables Fare Well in Agricultural Economy

During 1983, vegetable growers as a whole will enjoy a slightly improved financial situation compared with most other farm enterprises. The ratio of prices received by commercial vegetable growers to prices paid for commodities and services, interest, taxes, and wages will rise 1 percent this year, while the ratio for growers of potatoes, sweetpotatoes, and dry beans will probably be unchanged. In comparison, the ratio for all agricultural commodities will likely fall slightly for the fourth consecutive year of such decline.

The payment-in-kind (PIK) program, the depressed agricultural economy, and the current low inflation rate

in the general economy will cause most farm input costs to rise more slowly this year. This could also add to the financial vigor of vegetable growers in 1983 and 1984.

Spring Weather Delays Crop Development

As of July 1, prospects for all crops were rated as good to excellent in most of the major vegetable regions. However, fresh and processing vegetable crops in nearly all producing States were behind this summer because of the aberrant winter and spring weather. Yields for many crops will likely decline from last year. The hangover effects from the spring weather have lowered summer-crop potato yields, but prospects are generally brighter for the fall crop.

Although the longer-term moisture supplies are ample throughout much of the country, a July heat wave left water supplies in many areas shy of short-term needs. This has stressed some crops. In mid-July, the most stressed areas included the Delmarva Peninsula (potatoes, various truck crops), the thumb area of Michigan (dry beans), and upstate New York (potatoes, onions, processing vegetables). But rains during the second half of July eased the stress somewhat, and the drought-like conditions likely will have only a small effect on vegetable supplies.

Meanwhile, "El Nino," the weather phenomenon responsible for the abnormally wet and cool spring, seems to have dissipated. Weather patterns will be watched closely this fall to check for any recurrence of "El Nino."

Vegetable Demand and Price Situation

Economic Recovery Should Boost Demand

The economic recovery continues to be stronger than forecast, pushing up food demand. Retail sales data for January-May (deflated for price changes) indicate a slight year-to-year rise in the physical quantity of grocery store sales, while sales by eating and drinking places posted more robust gains. However, aggregate demand at the farm level has yet to increase significantly.

Vegetables are sharing in the gains, with sales encouraged by lower prices or slowed price increases. Arrivals of fresh vegetables in major terminal markets since the beginning of the year have risen nearly 3 percent from a year ago. In addition, the disappearance of processed vegetables has risen.

Real Gross National Product is forecast to grow at an annual rate of 5 to 6 percent during the second half of 1983, with growth slowing to 4 to 5 percent in 1984. Similarly, growth in real disposable income per capita is forecast at an annual rate of 4 to 5 percent for the remainder of 1983 and at 3 to 4 percent next year.

Early stages of economic recovery are typically characterized by strong consumer purchases of durable goods and housing. Nondurable goods tend to be less income-sensitive, so demand generally lags recovery in the other sectors. For food and beverages, aggregate retail demand tends to increase only one-half to two-thirds as fast as disposable incomes. With this category of consumption, spending for food away from home is more income-sensitive than food at home, so that while overall spending may increase, actual farm-level demand for basic agricultural products will likely rise only modestly with the current recovery. Signs of somewhat stronger farm-level demand should appear before the year ends.

The forecast increase in income for the rest of 1983 should raise per capita demand for food at home approximately 2 percent and that for food away from home about 4 percent. If this income growth is concentrated in low-income groups, the effects on food expenditures might be slightly stronger.

The foundation of economic growth being laid in the United States and the other large industrial economies should eventually lead the other industrialized and developing nations down the path of real economic recovery through 1984. Meanwhile, this lag in international recovery implies a delayed improvement in farm export demand.

Vegetable Prices To Rise Only Slightly

Any increased demand for vegetable products would tend to add upward price pressure. However, the slowing of the U.S. inflation rate has helped moderate increases in marketing costs. Due to the easing of cost increases for labor and packaging, the ERS marketing cost index during the first half of 1983 averaged only 2.6 percent higher than last year.

Retail fresh vegetable prices will rise only slightly for all of 1983 compared with 1982. Primarily because of lower potato prices, the index averaged 7 percent less than a year ago during the first half of the year. However, reduced summer acreage and yields, higher transportation costs, and improved demand conditions point to moderate rises in retail prices during the second half.

Through mid-1983, the retail price index for processed vegetables was unchanged from last year. Supplies during 1983/84 will be only slightly smaller than last year's relatively large stocks. That, along with lower marketing cost increases, indicates stable processed vegetable prices through at least early 1984.

Retail prices of all foods are currently expected to rise 2 to 4 percent from 1982. Prices for food away from home will rise 4 to 6 percent, while prices for food at home will gain 1 to 2 percent.

Fresh Consumption the Highest Since 1952

In 1982, per capita consumption of fresh vegetables reached 109.4 pounds, the highest level since 1952, and continued the upward trend started in the early 1970's. With smaller production in prospect for 1983, consumption is likely to drop slightly.

Combined canned and frozen vegetable consumption fell last year because of relatively tight supplies during the first half of the year. However, the large supplies and steady prices should encourage a rise in 1983.

FRESH VEGETABLES

Outlook

Summer Output Likely To Fall

Production of summer vegetables for fresh market will likely fall from a year ago, as combined area for harvest (of seven items) declined 1 percent. Lettuce and tomato acreage rose, but acreage in the other commodities declined or stayed the same. Onion and melon area also fell.

Table 1.—Fresh vegetables: Reported acreage of principal crops

Seasonal group and crop	Prospective area for harvest		
	1982 major States	1983	
		Indicated major States	Percent of 1982
	1,000 acres		*Percent*
Winter	134.3	154.8	115
Spring	166.6	159.3	96
Summer			
Broccoli[1]	18.6	17.0	91
Carrots[1]	25.4	24.3	96
Cauliflower[1]	14.2	13.1	92
Celery[1]	8.4	8.1	96
Sweet corn	99.8	99.9	100
Lettuce	46.4	47.2	102
Tomatoes	52.2	53.8	103
Total 7 vegetables[2]	265.0	263.4	99
Onions			
Nonstorage	12.2	9.6	79
Storage	54.3	52.8	97
California[3]	29.7	26.1	88
Total summer onions	96.2	88.5	92
Honeydew melons	15.3	13.8	90
Total 9 items	376.5	365.7	97

[1]Includes fresh market and processing. [2]May not add to total due to rounding. [3]Primarily processing.

SOURCE: Vegetables, SRS.

Table 2.—Quarterly index of prices received by growers for fresh vegetables[1]

Year	(1977=100)				
	1st	2nd	3rd	4th	Annual
1973	81	98	74	64	79
1974	73	83	73	81	77
1975	85	93	83	90	88
1976	93	80	86	92	88
1977	128	93	84	96	100
1978	107	129	94	94	106
1979	134	105	95	101	109
1980	100	116	104	119	110
1981	163	127	121	128	135
1982	156	117	99	108	120
1983	119	145	[2]110-120		[2]115-130

[1]Excludes potatoes. [2]Unofficial ERS projection.

SOURCE: Agricultural Prices, SRS.

In addition to the lower acreage, the cool, wet spring hampered the development of nearly all crops in all regions. That and other effects of the spring weather will probably reduce yields for most crops this summer.

Summer Prices To Be Above a Year Ago

The expected production decrease should keep most truck crop prices above last year's depressed levels. However, supplies from the various growing areas may be erratic as well as delayed this summer, causing some swings in shipping point prices. Such price volatility has prevailed since early spring.

Table 3.—Quarterly retail price index of fresh vegetables[1]

Year	(1967=100)				
	1st	2nd	3rd	4th	Annual
1973	151	167	151	137	152
1974	150	160	152	151	153
1975	168	169	165	160	166
1976	170	168	165	179	170
1977	221	216	178	184	200
1978	212	247	209	204	218
1979	254	224	211	226	229
1980	220	250	231	253	239
1981	287	275	258	248	267
1982	341	302	250	257	288
1983	292	327	[2]260-285		[2]280-310

[1]Excludes potatoes. [2]Unofficial ERS projection.

SOURCE: ERS index derived from Consumer Price Index.

Table 4.—Fresh vegetables: Average U.S. f.o.b. shipping point prices

Commodity	1982		1983		
	June	July	May	June	July 1-15
	Dollars per cwt				
Carrots	10.30	9.95	10.80	11.20	15.60
Celery	13.00	9.99	19.50	13.80	12.60
Corn, sweet	14.20	12.00	12.50	11.00	14.90
Lettuce	8.43	11.00	13.50	17.60	7.89
Onions	9.43	11.90	10.50	8.68	9.45
Tomatoes	32.50	25.30	32.00	28.10	27.60

SOURCE: Agricultural Prices, SRS.

Other factors will influence prices: A pickup in consumer food demand will likely pressure prices in the face of smaller supplies, and higher transportation costs from the West Coast to Midwest and Eastern markets could increase wholesale and retail prices. Rates for trucks from the Salinas Valley, Calif., to New York City averaged about 5 percent higher during June and July than a year earlier.

Based on supply, demand, and marketing cost factors, the grower price index for fresh vegetables this summer may average 10 to 20 percent higher than last summer's 99 (1977=100), but about 20 to 25 percent less than this spring. For the entire year, the index is forecast at about 130, compared with 120 in 1982. The retail price index (excluding potatoes) will also rise about a tenth from last summer. Although the retail index will decline from this spring's relatively high level—the second-quarter 1983 reading of 330 (1967=100) was the second highest on record—it will probably not fall as much as the grower price index. The farm value's share of fresh vegetable retail prices rose from 26 percent in January to 34 percent in May, squeezing retailers' margins. Retailers, although also interested in price stability, will likely recapture some of their losses. For all of 1983, the retail index will advance 3 to 7 percent from last year.

Table 5.—Fresh vegetables: Representative prices (wholesale lots) at New York and Chicago, 1982 and 1983

Market and commodity	State of origin	Unit	Tuesday 1982 May 4	1982 June 1	1982 July 6	1983 May 2	1983 June 7	1983 July 5
			Dollars					
TERMINAL MARKETS:								
NEW YORK								
Beans, snap, green	Florida	Bu. basket	17.50	15.00	—	11.00	15.00	—
Broccoli	California	14-bchs., crt. & ctn.	8.25	9.50	7.25	10.50	10.00	12.00
Cabbage								
Domestic, round type	New York	Various used crates	—	—	—	—	—	—
Cantaloups	California	18's crt.	—	14.50	9.50	—	—	11.50
Carrots, topped, washed	California	48-1 lb. film bag ctn.	10.50	8.00	9.00	8.00	8.00	9.00
Cauliflower	California	Carton 12's	11.50	12.00	13.00	12.00	13.50	11.00
Celery								
Pascal	California	2-3 doz., crt.	10.50	15.00	13.00	20.00	13.50	17.50
Lettuce, Iceberg	California	2 doz., ctn.	9.50	9.50	7.95	9.50	18.00	11.00
Onions, Jumbo	Texas	50 lb. sack Grano	—	7.50	—	7.00	—	—
Onions, Jumbo	California	50 lb. sack Grano	8.50	—	7.50	6.00	—	—
Spinach, Savoy	New Jersey	Bu. basket	—	—	—	—	—	—
Tomatoes	Florida	25 lb. ctn.	—	13.50	—	16.50	10.50	—
Watermelon	Florida	25 lb. av. and larger per cwt.	—	4.75	—	—	4.00	—
CHICAGO								
Broccoli	California	14's crt. & ctn.	8.00	9.00	7.75	11.50	9.50	11.50
Cabbage								
Domestic, round type	Texas	Various used crates	10.50	20.50	—	6.00	7.00	—
Cantaloups	California	18's crt.	—	—	10.50	—	15.50	15.50
Carrots, topped, washed	California	48-1 lb. film bag, ctn.	11.50	8.75	9.50	8.50	8.50	11.25
Cauliflower	California	Film wrpd., ctns, 12's	11.00	11.50	12.50	14.50	13.50	13.50
Celery								
Pascal	California	2-3 doz., crt.	11.50	15.00	13.50	22.50	15.50	19.50
Cucumbers	Florida	1-1/9 bu. ctn.	21.00	12.00	—	20.50	11.00	—
Honeydews	Texas	2/3-flat crt. 6-8's	—	8.00	6.75	—	7.50	—
Lettuce, Iceberg	California	2 doz. heads, ctn.	6.00	10.00	7.00	9.50	15.50	10.50
Onions, Jumbo	Texas	50 lb.	9.50	8.00	—	7.00	6.25	7.00
Onions, Jumbo	California	50 lb.	—	—	—	—	—	—
Tomatoes	Florida	25-lb. carton med.-lge.	9.75	13.75	10.50	16.50	9.50	9.50
Watermelon	Texas	Per lb.	—	—	.13	—	—	.17

SOURCE: Weekly summary of terminal market prices, Market News Report, AMS, USDA.

Table 6.—Fresh vegetables: Retail price, marketing margin, and grower and packer return per unit, sold in Baltimore, indicated months, 1982 and 1983

Commodity, month, and retail unit	Retail price[1]	Marketing margin		Grower and packer return (FOB shipping point prices)[2, 3]	
		Absolute	Percentage of retail price	Absolute	Percentage of
	Cents	*Cents*	*Percent*	*Cents*	*Percent*
Cabbage (lb.)					
April 1983	29.0	21.5	74	7.5	26
March 1983	63.0	16.6	72	6.4	28
April 1982	36.0	22.0	78	8.0	22
Carrots (lb.)					
April 1983	35.0	25.3	72	9.7	28
March 1983	32.0	19.1	60	12.9	40
April 1982	42.0	27.0	64	15.0	36
Celery (lb.)					
April 1983	34.8	19.1	53	15.7	45
March 1983	29.2	20.2	69	9.0	31
April 1982	34.8	21.4	61	13.4	39
Corn, sweet (doz. ears)					
April 1983	444.0	238.1	54	205.9	46
March 1983	408.0	179.2	44	228.8	56
April 1982	480.0	325.0	68	155.0	32
Cucumbers (lb.)					
April 1983	104.7	66.4	63	38.3	37
March 1983	81.8	35.4	43	46.8	57
April 1982	49.1	29.8	61	19.3	39
Lettuce (head)					
April 1983	74.0	52.7	71	21.3	29
March 1983	74.0	57.2	77	16.8	23
April 1982	114.0	46.8	41	67.2	59
Onions, dry yellow (lb.)					
April 1983	24.0	14.8	62	9.2	36
March 1983	20.0	12.8	64	7.2	36
April 1982	41.0	31.7	63	9.3	23
Peppers, green (lb.)					
April 1983	133.2	78.6	59	54.6	41
March 1983	161.2	61.5	38	99.7	62
April 1982	70.1	38.8	55	31.3	45
Tomatoes, vine-ripe (lb.)					
April 1983	124.0	54.0	44	70.0	56
March 1983	114.0	25.3	22	88.7	78
April 1982	70.0	42.0	60	28.0	40

[1]Retail prices from Maryland Department of Agriculture. [2]For quantity of product equivalent to retail unit sold to consumers; because of waste and spoilage during merketing, equivalent quantity exceeds retail unit. [3]Production areas; Cabbege-Florida, Carrots-California, Celery-California, Corn-Florida, Cucumbers-Florida, Lettuce-California, Onions-Texas, Peppers-Florida and Tomatoes-Florida.

Table 7.—Fresh vegetables: Representative truck rates for selected fresh vegetables, January-June 1981-82[1]

Commodity, area and city	1982						1983					
	Jan.	Feb.	Mar.	Apr.	May	June	Jan.	Feb.	Mar.	Apr.	May	June
	Dollars per package											
Cabbage (50 lb. wirebound crate)												
Southern Florida to:												
Atlanta	1.08	.95	.88	.88	.88	—	1.07	1.07	1.07	1.07	1.07	—
Chicago	—	2.12	2.22	2.22	2.22	—	2.67	2.67	2.50	2.50	2.50	—
New York City	2.02	2.08	2.25	2.30	2.30	—	2.67	2.67	2.50	2.50	2.50	—
Rio Grande Valley, Texas to:												
Atlanta	1.92	1.73	1.85	1.84	1.73	2.30	1.82	2.53	1.81	1.81	1.81	2.07
Chicago	2.19	2.08	2.15	2.19	2.12	2.30	2.72	1.88	2.23	2.23	2.23	2.38
New York City	3.23	3.12	3.08	3.23	3.15	3.23	2.96	3.76	3.23	3.23	3.23	2.69
Carrots (48/1 lb. film)												
Imperial Valley, California to:												
Atlanta	3.00	2.92	3.38	3.00	3.15	—	2.77	2.85	2.85	3.00	2.92	—
Chicago	2.77	2.77	3.23	2.92	3.00	—	2.62	2.77	2.62	2.92	2.69	—
New York City	3.69	3.85	4.62	3.69	4.23	—	3.85	4.46	4.46	3.92	4.00	—
Los Angeles	.81	.81	.81	.81	.81	—	.81	.81	.81	.81	.81	—
Rio Grande Valley, Texas to:												
Atlanta	1.56	1.41	1.50	1.50	1.41	1.87	1.48	2.06	1.47	1.47	1.47	1.68
Chicago	1.78	1.69	1.75	1.78	1.72	1.87	1.75	2.56	1.81	1.81	1.81	1.75
Dallas	.80	.80	.80	.80	.80	.80	.88	.88	.88	.88	.88	1.03
New York City	2.62	2.53	2.50	2.62	2.56	2.62	2.41	3.69	2.62	2.62	2.62	3.00
Celery (60 lb. wirebound crate)												
Southern California to:												
Atlanta	3.25	3.25	3.66	3.33	3.58	5.00	3.00	3.33	3.08	3.08	3.25	3.42
Chicago	2.75	2.92	3.58	3.25	3.50	4.08	2.83	3.25	2.91	2.18	2.96	3.25
New York City	4.16	4.25	5.08	4.08	4.91	5.75	4.25	5.00	4.33	4.25	4.42	5.00
Southern Florida to:												
Atlanta	1.25	1.25	1.25	1.25	1.25	1.25	1.07	1.07	1.07	1.13	1.13	1.13
Chicago	2.35	2.30	2.38	2.38	2.38	2.30	2.67	2.67	2.37	2.53	2.37	2.37
New York City	2.30	2.22	2.38	2.38	2.38	2.38	2.67	2.67	2.37	2.53	2.37	2.37
Corn (4-3/4 doz. wirebound crate)												
Southern Florida to:												
Chicago	1.95	2.10	2.20	2.18	2.18	2.18	1.87	1.89	1.87	1.87	1.87	2.00
New York City	1.95	2.10	2.10	2.10	2.10	2.10	1.87	1.89	1.87	1.87	1.87	2.00
Lettuce (24 head ctn.)												
Imperial Valley, California to:												
Atlanta	2.44	2.38	2.75	2.43	—	—	2.12	2.25	2.12	2.31	—	—
Chicago	2.25	2.25	2.63	2.37	—	—	2.12	2.25	2.12	2.31	—	—
Dallas	1.56	1.75	2.00	1.56	—	—	1.56	1.94	1.75	1.69	—	—
Los Angeles	.66	.66	.66	.66	—	—	.66	.66	.66	.66	—	—
New York City	3.00	3.12	3.75	3.00	—	—	3.19	3.25	3.25	3.19	—	—
Potatoes (100-lb. sack)												
Idaho Falls, Idaho to:												
Atlanta	4.64	4.64	4.64	4.52	4.40	4.40	4.52	4.52	4.52	4.40	4.52	4.52
Chicago	3.45	3.37	3.45	3.45	3.33	3.33	3.45	3.45	3.33	3.33	3.33	3.21
Presque Isle, Maine to:												
Atlanta	3.38	3.86	3.80	3.64	3.54	3.54	3.16	3.75	3.85	3.59	3.59	3.59
New York City	2.30	2.49	2.38	2.38	2.38	2.36	2.19	2.54	2.38	2.38	2.35	2.36
Western and Central New York to:												
Atlanta	2.20	2.20	2.20	2.20	2.20	—	2.32	2.50	2.50	2.50	2.50	—
New York City	1.62	1.62	1.62	1.62	1.62	1.62	1.65	1.65	1.50	1.50	1.50	1.50
Tomatoes, Vine Ripe (30 lb. ctn. 1981)												
Southern Florida to:												
Atlanta	.55	.62	.58	.58	.58	.56	1.07	1.07	.73	.73	.73	.71
Chicago	1.20	1.20	1.25	1.25	1.25	1.25	1.27	1.27	1.29	1.29	1.29	1.29
New York City	1.20	1.22	1.20	1.20	1.20	1.20	1.27	1.27	1.29	1.29	1.29	1.44

SOURCE: [1]AMS - Fruit and Vegetable Truck Rate Report first week of the month.

— = not available.

First Half 1983 Review

First-Half 1983 Output Gains Despite Weather

Production of nine fresh-market vegetables and melons in major States during January-June was unchanged from a year ago. A 3-percent gain in harvested area was offset by weather-reduced yields. Heavy production during January and February gave way to lower and more erratic supplies in the spring. Broccoli and onion output posted substantial declines, while the sweet corn and carrot harvests gained the most. Production of the two largest items, lettuce and tomatoes, rose slightly.

Meanwhile, total shipments of major items from Mexico during the 1982/83 season rose 14 percent from last year. Supplies had been expected to jump sharply because the 1982 peso devaluations made the American market attractive to Mexican growers. However, Sinaloa, the major producing state, suffered disruptive and supply-reducing rains during the season that limited the rise. Mexican tomatoes accounted for about 40 percent of the U.S. supply during December-May, compared with about 35 percent a year ago.

Table 8.—Shipments of major fresh vegetables, April-June[1]

Item	Year		1983 as percentage of 1982
	1982	1983	
	1,000 cwt		
Lettuce	16,572	15,752	95
Tomatoes	7,740	7,684	99
Onions	7,296	7,089	97
Celery	4,145	3,681	89
Carrots	3,877	3,744	97
Cabbage	3,116	3,155	101
Peppers	1,496	1,512	101
Cucumbers	2,461	2,508	102
Squash	576	750	130
Broccoli	1,373	1,151	84
Cauliflower	803	837	104
Total	49,454	46,191	93
Watermelon	12,691	9,666	76
Cantaloup	4,086	7,749	190
Honeydews	855	1,025	120
Total	17,632	18,440	105

[1]Includes shipments from Mexico.

SOURCE: AMS, USDA, Fresh Fruits and Vegetables: Weekly Summary of Shipments and Arrivals.

Lower Supplies Boost Spring Prices

The grower price index for vegetables rose 23 percent this spring from the winter quarter because of reduced output. Despite that gain, the index averaged 3 percent lower than a year ago during January-June. A Florida freeze and sharply curtailed lettuce production caused grower prices to rise during winter 1982. In addition to higher average prices this spring, sporadic supplies caused much price variability.

The retail price index for vegetables (excluding potatoes) this spring increased 9 percent from a year ago, and 13 percent more than the winter average. In both instances, the gains were less than the jump in grower prices. Retailers apparently let their margins decrease to maintain some price stability. For January-June, though, the retail index posted a 3-percent drop.

Prospects for Leading Items

Lettuce

Summer harvest area of lettuce in major States rose 2 percent from a year ago. Acreage in California's central coast area, the major U.S. production region, was virtually unchanged from a year ago. Growing conditions there have improved from spring. Colorado, which had excellent growing conditions, and New York posted acreage gains. Summer lettuce supplies should be steadier than this spring and could approach last summer's heavy volume. During the first 3 weeks of July, shipments from major areas totaled 5 percent more than a year ago.

Erratic supplies and volatile price swings at the shipping points characterized the spring lettuce markets. However, the larger prospective supplies this summer will likely stabilize retail and grower prices near last year's relatively low levels.

Other lettuce highlights:

- Daily average shipping point prices during April-June in the Salinas Valley were $7.59 per carton of 24 heads, compared with $5.43 in 1982.

Table 9.—Fresh vegetables: Acreage, yield, and production, January-June

Crop	Area harvested			Yield per acre			Production		
	1981	1982	1983	1981	1982	1983	1981	1982	1983
	1,000 acres			*Cwt*			*1,000 cwt*		
Broccoli	35.4	41.8	38.9	100	100	95	3.5	4.2	3.7
Carrots	30.7	32.0	34.1	239	266	262	7.3	8.5	8.9
Cauliflower	12.8	14.1	14.3	115	93	96	1.5	1.3	1.4
Celery	19.6	18.4	17.9	497	509	515	9.7	9.4	9.2
Sweet corn	44.4	44.7	49.9	100	.99	95	4.4	4.4	4.8
Lettuce	101.9	94.2	100.3	270	289	277	27.6	27.2	27.8
Onions	25.1	29.0	26.1	214	247	258	5.4	7.2	6.7
Tomatoes	49.1	43.3	45.9	212	262	247	10.4	11.3	11.4
Total 8 vegetables	319.0	317.5	327.4	219	231	226	69.8	73.5	73.9
Honeydews	4.0	4.9	5.5	170	160	140	.7	.8	.8
Total Jan.-June	323.0	322.4	332.9	217	230	224	70.1	74.3	74.7

SOURCE: Vegetables, SRS.

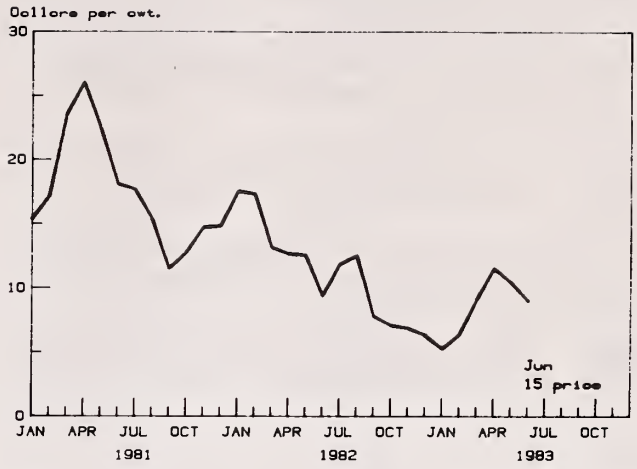
- The retail price index for lettuce this spring averaged 11 percent greater than a year earlier.
- Spring lettuce shipments from major growing areas totaled 5 percent less than a year earlier.
- During July, California lettuce traded at $3 to $5.50 per carton at shipping points, with most quotes at $3 to $4.50.

Tomatoes

Prospective tomato harvest area during the summer quarter is estimated to be 3 percent more than a year ago. Area increased moderately in California, the leading summer State. However, the wet, cool spring delayed development and harvests in most States. During the first 3 weeks of July, domestic shipments totaled 15 percent more than a year ago.

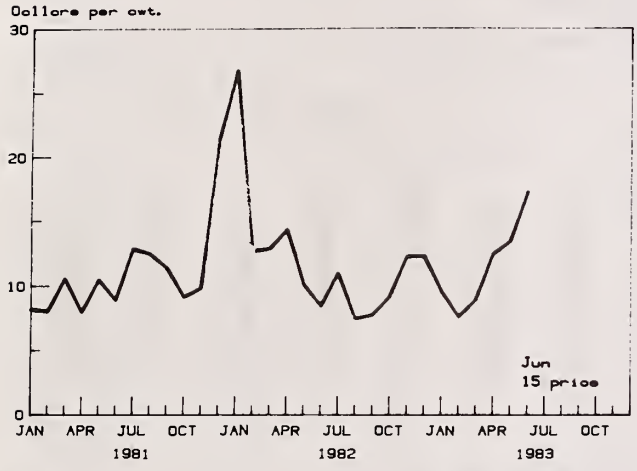
Like lettuce, tomato prices have retreated from the high spring levels. Although acreage is up, the effects of the spring weather on yields are not clear at this writ-

Onions: F. O. B. Shipping Point Prices



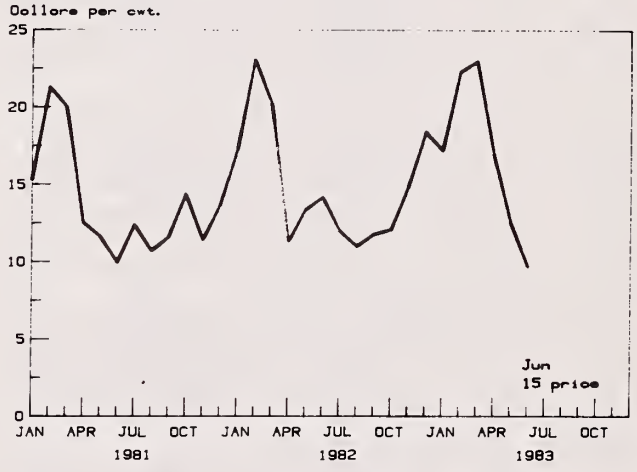
USDA Neg. ERS 1057-83 (07)

Lettuce: F. O. B. Shipping Point Prices



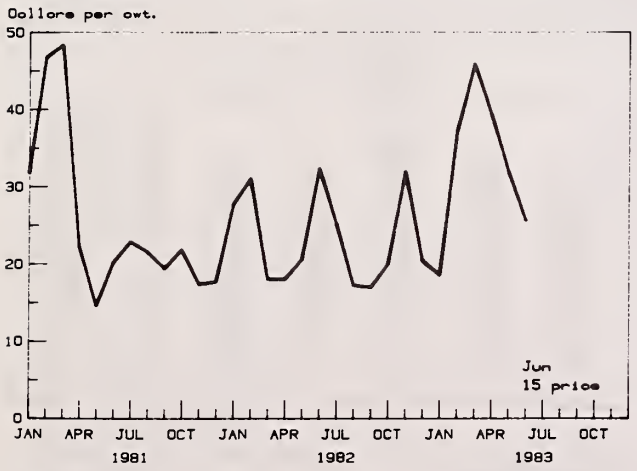
USDA Neg. ERS 1059-83 (07)

Sweet Corn: F. O. B. Shipping Point Prices



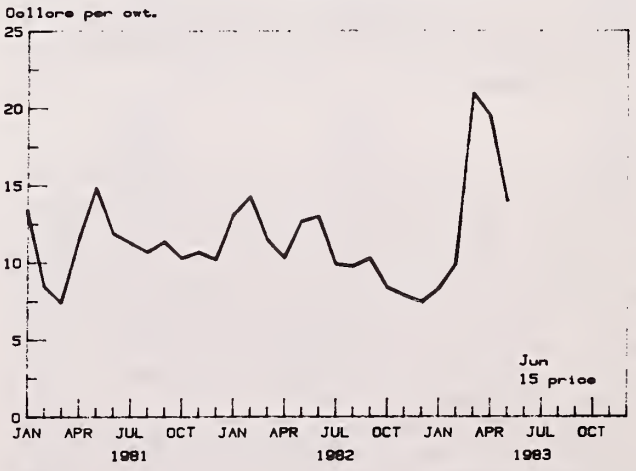
USDA Neg. ERS 342-83 (07)

Tomatoes: F. O. B. Shipping Point Prices



USDA Neg. ERS 1080-83 (07)

Celery: F. O. B. Shipping Point Prices



USDA Neg. ERS 1056-83 (07)

ing. However, an improving economy could keep prices from falling to last summer's low levels.

Other tomato details:

- Shipping point prices during late July in the San Joaquin Valley were typically about $1 less than a year ago.
- The retail price index for tomatoes during April-June averaged nearly 25 percent higher than last year.
- U.S. tomato shipments during April-June fell 9 percent from a year earlier, while Mexican shipments were double a year ago.
- Daily prices at Florida shipping points in April-June averaged 40 percent higher than a year earlier.

Onions

Growers reacted to record-large 1983 production and low returns by cutting summer-crop acreage by 8 percent. Most of the decline occurred in the nonstorage and California (mainly for processing) crops. In addition, the cool, wet spring delayed crops and reduced stands, which could affect yields in the western storage States. The lower production likely for 1983 should firm up grower prices for the rest of 1983 and early 1984.

A smaller Japanese onion crop this year could lead to increased U.S. export sales. Below normal temperatures and wet weather in Hokkaido, the major producing area, will likely cut production. A similar situation occurred 2 years ago which greatly boosted U.S. onion exports and pushed up prices. During 1982-83, Japan's imports from the United States have dropped to 2,142 metric tons, down from 86,841 the previous season.

Total shipments of onions during January-June rose slightly from a year ago. Larger shipments of storage onions from last year's record crop and increased imports from Mexico offset a substantial drop in new-crop onions.

Other facets of the onion situation:

- Lower acreage offset good yields to reduce the 1983 spring onion crop by 6 percent from 1982.
- During January-June, retail prices averaged 28 percent less than a year earlier, while grower prices declined 39 percent.
- Cumulative imports during January-April rose 16 percent from last year, while January-May exports fell 3 percent.

Melons

Reduced area and the effects of the spring weather will probably reduce cantaloup, honeydew, and watermelon supplies during second-half 1983. Summer honeydew acreage is off a tenth from a year ago, while California cantaloup acreage fell 16 percent. Through mid-July, domestic shipments of cantaloups and honeydews were running 0.4, and 5 percent, respectively, ahead of last year's pace. Meanwhile, watermelon shipments trailed last year by 20 percent.

Shipping point prices for melons have typically been above a year ago since the season began. With lighter U.S. supplies in prospect, that trend will probably continue through the summer.

Other Fresh Vegetables

- A 9-percent cutback in summer broccoli acreage could boost prices this summer. However, in late July, shipping point prices were $2 to $3 per carton (14 bunches) less than a year ago.
- Sweet corn prices may average higher this summer because the poor spring weather generally delayed crop development. Shipping point prices were sharply higher in mid-July, while seasonal shipments ran 4 percent behind last year's pace.

PROCESSED VEGETABLES

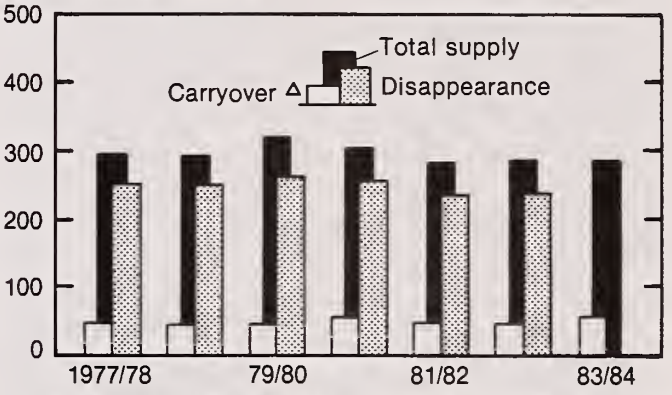
Outlook

Processed Supplies To Be Down Slightly in 1983/84

Despite larger carryover stocks, total 1983/84 supplies of eight major frozen and eight major canned vegetables

Total Supply and Disappearance of Eight Canned Vegetables*

Million Cases 24/303's

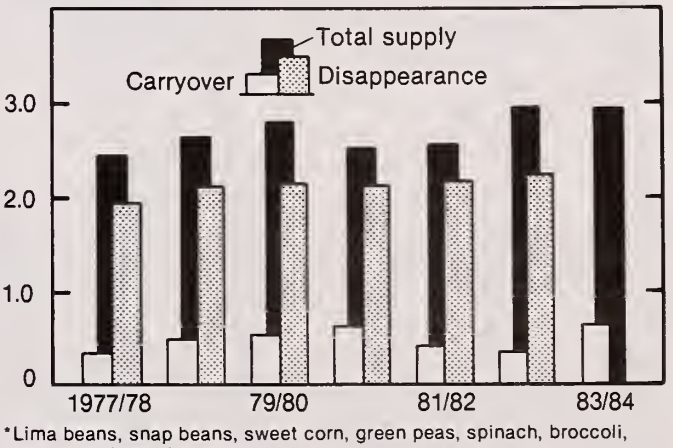


* Lima beans, snap beans, beets, sauerkraut, sweet corn, green peas, tomatoes, and tomato juice.
△Carryover excludes distributors' stocks.

USDA Neg. ERS 814-83 (7)

Total Supply and Disappearance of Eight Frozen Vegetables*

Billion pounds



*Lima beans, snap beans, sweet corn, green peas, spinach, broccoli, carrots and cauliflower.

USDA Neg. ERS 813-83 (7)

Table 10.—Canned vegetables: Carryover, pack, seasonal supply, and disappearance

Commodity and season	Carryover	Pack	Seasonal supply	Shipments to latest month	Total seasonal shipments
			Million cases 24/303's		
Lima beans					
1979-80	.5	3.1	3.6	[2]2.7	3.0
1980-81	.6	2.8	3.4	[2]2.6	2.8
1981-82	.7	2.6	3.3	[2]2.5	2.7
1982-83	.5	2.3	2.8	[2]2.3	[4]2.5
1983-84	[4].3				
Snap beans					
1979-80	6.2	65.1	71.8	[2]56.7	60.0
1980-81	11.3	60.9	72.0	[2]53.3	56.3
1981-82	15.9	51.6	67.5	[2]52.1	55.2
1982-83	12.4	48.8	61.2	[2]48.9	[4]53.2
1983-84	[4]9.0				
Beets					
1979-80	2.9	15.1	17.9	[3]8.6	11.3
1980-81	6.7	11.3	18.0	[3]9.1	12.2
1981-82	5.8	9.6	15.4	[3]8.6	11.3
1982-83	4.1	[1]11.0	[1]15.1	[3]8.0	[4]10.8
1983-84	[4]4.3				
Sweet corn					
1979-80	9.8	60.0	69.8	[2]56.8	60.2
1980-81	9.7	50.6	60.2	[2]53.7	55.4
1981-82	4.7	57.9	62.6	[2]52.9	55.4
1982-83	7.3	60.5	67.8	[2]53.2	[4]55.8
1983-84	[4]12.0				
Green peas					
1979-80	1.6	36.5	38.1	[2]31.8	31.8
1980-81	6.2	30.1	36.3	[2]30.1	30.1
1981-82	6.2	27.3	33.5	[2]27.7	27.7
1982-83	5.8	24.8	30.6	[2]27.3	27.3
1983-84	3.2				
Sauerkraut					
1979-80	2.2	11.7	13.9	[4]10.9	11.4
1980-81	2.5	10.8	13.3	[4]10.6	11.2
1981-82	2.0	12.1	14.1	10.2	11.9
1982-83	3.2	10.9	14.1	[4]9.3	[4]10.0
1983-84	4.1				
Tomato juice					
1979-80	6.2	31.5	37.8	[3]25.4	31.4
1980-81	6.5	27.6	34.1	[3]25.3	31.1
1981-82	3.0	17.5	20.5	[3]14.5	17.3
1982-83	3.2	24.0	27.2	[3]17.5	[4]21.2
1983-84	[4]6.0				
Tomatoes					
1979-80	14.6	52.1	66.7	[3]44.8	54.4
1980-81	12.3	53.1	65.4	[3]45.4	55.1
1981-82	10.2	52.8	63.0	[3]45.6	54.4
1982-83	8.6	[4]62.5	[4]71.1	[3]47.0	[4]57.1
1983-84	[4]14.0				
Total					
1979-80	44.0	275.1	319.2	237.7	263.5
1980-81	55.6	247.2	302.9	230.1	254.2
1981-82	48.6	231.4	279.9	214.1	235.9
1982-83	45.1	244.8	289.9	213.5	[1]237.0
1983-84	[4]52.9	[4]220-235	[4]270-285		

[1]July 1. [2]June 1. [3]April 1. [4]ERS projections.

SOURCE: National Food Processors Association.

will likely decline slightly from 1982/83. Because of acreage declines and the prospect of lower yields, this year's combined packs will be smaller. Canned carryover stocks are up substantially, while the frozen carryover will be the largest on record—75 percent higher than last year's tight holdings.

Table 11.—Frozen vegetables: Carryover, pack, seasonal supply, and disappearance

Commodity and season	Carryover	Pack	Seasonal supply	Total seasonal shipments
		Million cases 24/303's		
Broccoli				
1979-80	60.2	298.6	358.8	280.1
1980-81	78.7	290.7	369.4	293.1
1981-82	76.3	306.8	383.1	327.6
1982-83	55.5	335.5	391.0	302.5
1983-84	88.5			
Lima beans				
1979-80	42.3	124.3	166.6	108.0
1980-81	58.6	85.9	144.5	120.5
1981-82	24.0	88.8	112.8	98.8
1982-83	14.0	123.7	137.7	[1]112.7
1983-84	[1]25.0			
Snap beans				
1979-80	73.4	273.3	346.8	255.6
1980-81	91.2	243.9	335.1	254.3
1981-82	80.9	257.4	338.3	269.5
1982-83	68.7	293.3	362.1	274.4
1983-84	87.7			
Cauliflower				
1979-80	44.3	101.1	145.4	104.8
1980-81	40.6	84.8	125.4	97.8
1981-82	27.6	105.2	132.8	109.5
1982-83	23.3	111.6	134.9	98.8
1983-84	36.1			
Carrots				
1979-80	75.6	263.1	338.7	245.2
1980-81	93.5	191.2	284.7	227.3
1981-82	57.4	269.8	327.2	252.2
1982-83	75.0	296.7	371.7	[1]236.7
1983-84	[1]135.0			
Sweet corn				
1979-80	154.8	580.1	734.9	614.6
1980-81	120.3	529.1	644.4	594.6
1981-82	54.8	619.4	674.2	610.2
1982-83	64.0	834.3	898.3	[1]698.3
1983-84	[1]200.0			
Green peas				
1979-80	82.9	427.5	510.4	387.9
1980-81	122.5	315.6	438.1	369.2
1981-82	68.8	333.9	402.7	347.7
1982-83	55.0	404.8	459.8	367.3
1983-84	92.5			
Spinach				
1979-80	19.1	181.3	200.4	170.0
1980-81	30.3	169.3	199.6	166.6
1981-82	33.1	183.6	216.7	176.0
1982-83	40.7	150.7	191.4	162.6
1983-84	28.7			
Total				
1979-80	552.6	2,249.3	2,802.0	2,166.3
1980-81	635.7	1,910.5	2,546.2	2,123.3
1981-82	422.9	2,164.9	2,587.8	2,191.5
1982-83	396.3	2,550.6	2,946.9	[1]2,253.4
1983-84	[1]693.5	[1]2,150-2,200	[1]2,850-2,900	

[1]ERS projections.

SOURCES: Carryover, Statistical Reporting Service; Pack, American Frozen Food Institute.

Canners of the three major side-dish items (snap beans, sweet corn, and green peas) contracted for 2 percent less area this year, while frozen processors reduced their contracting by 4 percent. Given the large frozen carryover stocks, the cutbacks aren't surprising, and total 1983/84 supplies will decline from 1982/83. However, supplies will be larger than normal, especially sweet corn. Meanwhile, canned supplies of the three items during 1983/84 will be the lowest in at least 12 years. Although pea acreage was up 7 percent, sharply reduced yields will result in some of the tightest supplies since World War II. Canned snap bean supplies will also be smaller in the coming year.

Tomato processors contract for tonnage rather than acreage, and this year they upped their desired tonnage by 2 percent to 7.2 million tons. Stocks of canned tomatoes and tomato juice are sharply above last year's holdings, although most concentrated tomato products are in relatively tight supply. The need to build up stocks of concentrated tomato products and the desire of many growers to produce more tomatoes this year probably led to the tonnage gain.

The pack and supply of frozen items that are primarily produced in California could be less this year. The heavy spring rains there affected and will affect the supply of broccoli, cauliflower, and spinach. Acreage data for the United States indicates pack declines could occur for broccoli, cauliflower, and carrots in the months ahead.

The ample processed vegetable supplies projected for 1983/84 and the slower growth in marketing costs should continue the pattern of stable prices through early 1984. For second-half 1983, the retail price index for processed vegetables will likely rise about 1 percent from a year ago. Meanwhile, the rise in the wholesale price indexes for canned and frozen vegetables during 1983 will likely be the smallest since 1976.

Propelled by a substantial rise in sweet corn disappearance, preliminary indicators show that total frozen vege-

Table 12.—Frozen vegetables: Cold storage holdings

Commodity	July 1			Percent change from a year earlier
	1981	1982	1983[1]	
	Million pounds			
Asparagus	12	13	12	−8
Lima beans	29	18	33	81
Snap beans	81	69	88	28
Broccoli	90	106	62	−42
Brussels sprouts	27	23	25	7
Carrots	64	81	148	83
Cauliflower	28	23	36	55
Sweet corn	80	94	231	145
Mixed vegetables	36	39	45	14
Okra	21	21	39	81
Onions	19	25	25	3
Blackeyed peas	3	6	5	−27
Green peas	138	142	157	11
Peas and carrots	9	9	10	10
Spinach	112	109	87	−20
Squash	32	35	41	19
Southern greens	32	32	30	−5
Other vegetables	123	132	134	2
Total vegetables[2]	936	978	1,208	437
Potatoes	793	937	1,014	8
Grand total[2]	1,729	1,915	2,222	16

[1]Preliminary. [2]May not add to total due to rounding.

SOURCE: Cold Storage, SRS.

Table 13.—Processing vegetables: Planted and prospective acreage

Crop	Planted acreage 1981 total	1982		Prospective 1983 contract	1983 as percentage of contract 1982
		Total	Contract		
			1,000 acres		
Snap beans					
Freezing	59.0	63.1	58.7	58.2	99
Canning	171.6	150.2	142.0	134.4	95
Total	230.6	213.3	200.7	192.6	96
Sweet corn					
Freezing	131.2	159.9	159.2	142.8	90
Canning	292.6	295.4	294.4	279.6	95
Total	423.8	455.3	453.6	422.4	93
Green peas					
Freezing	128.1	156.3	156.3	156.4	100
Canning	187.5	162.1	162.1	173.2	107
Total	315.6	318.4	318.4	329.6	104
Total 3 crops					
Freezing	318.3	379.3	374.2	357.4	96
Canning	651.7	607.7	598.5	587.2	98
Total	970.0	987.0	972.7	944.6	97
Tomatoes	258.5	317.6	307.7	291.9	95
Tomatoes (Tomato production in 1,000 tons)	(5,716.1)	(7,299.0)	(7,093.3)	(7,218.3)	102
Total 4 crops	1,228.5	1,304.6	1,280.4	1,236.5	97

SOURCE: Vegetables, SRS.

table disappearance (of eight major items) reached a record high during 1982/83. Large supplies and stable or declining prices were responsible for the gain. Meanwhile, 1982/83 disappearance of canned vegetables appears to have been virtually unchanged from the previous year. However, that total is well below historical normals, reflecting waning consumption of most canned items.

Other aspects of the processed vegetable situation:

- Frozen vegetable stocks as of July 1 totaled 1.2 billion pounds, 24 percent more than a year ago.
- The June retail price index for processed vegetables, at 138.7 (December 1977=100), marked the fourth consecutive month the index was below a year earlier. The index for frozen vegetables was above last year, while the indexes for canned and dried vegetables were below.
- During March-June, the wholesale price indexes for canned and frozen vegetables rose 0.4 and 2 percent, respectively, from a year earlier.

Prospects for Leading Items

Green Peas

Although processors of green peas contracted for 4 percent more acreage this year, a substantial fall in yields caused a 12-percent decline in production. Hot weather in late May and early June stressed the crop in Washington and Wisconsin, while cool spring weather affected the Minnesota outturn.

The output shortfall will affect canned supplies the most. Although this year's pack will approximate last year's (the smallest since 1939), a sharply reduced carryover will lower 1983/84 supplies to about 10 to 15 percent less than a year earlier and the smallest since World War II. Canners have increased their prices about 10 percent since winter, and both retail and food-service size cases during July traded at about $1 to $1.50

Table 14.—Quarterly wholesale price index for canned vegetables

Year	1st	2nd	3rd	4th	Annual
			1967=100		
1978	173.4	177.1	181.3	183.0	178.7
1979	184.0	185.6	189.1	188.0	186.7
1980	186.8	190.6	198.9	207.3	195.9
1981	213.7	223.5	232.1	239.0	227.1
1982	241.7	242.9	241.8	240.7	241.8
1983	241.8	243.9	[1]242.0		[1]240-250

[1]Unofficial ERS projection.

SOURCE: Producer Price Index, Bureau of Labor Statistics.

Table 15.—Quarterly wholesale price index for frozen vegetables

Year	1st	2nd	3rd	4th	Annual
			1967=100		
1978	196.3	197.4	203.4	206.2	200.9
1979	206.1	207.6	213.5	216.5	210.9
1980	214.6	220.5	227.5	226.6	222.3
1981	228.7	249.7	263.0	270.8	253.1
1982	275.7	278.7	282.7	283.0	280.0
1983	283.8	284.3	[1]285.0		[1]280-290

[1]Unofficial ERS projection.

SOURCE: Producer Price Index, Bureau of Labor Statistics.

Table 16.—Quarterly retail price index of processed vegetables

Year	1st	2nd	3rd	4th	Annual
			December 1967=100		
1978	101.7	102.8	104.6	106.0	103.8
1979	107.5	108.5	110.8	111.2	109.5
1980	113.9	115.3	118.8	122.0	117.5
1981	125.6	130.4	135.4	136.1	131.9
1982	137.8	138.8	140.1	138.7	138.9
1983	138.0	137.9	[1]140.0		[1]138-142

[1]Unofficial ERS projection.

SOURCE: Consumer Price Index, Bureau of Labor Statistics.

more than a year ago. Prices should remain firm through 1983/84, with more advances possible.

This season's frozen pack will likely decline moderatly, but sharply higher carryin holdings will likely leave total supplies up slightly. Processors' prices during July were unchanged from last year, and supply and demand factors indicate steady prices through the end of 1983.

Other details on processed peas:

- Canners' shipments during 1982/83 were 1 percent less than a year earlier.
- The wholesale price index for canned peas averaged slightly less than a year ago over the first half of the year.
- Disappearance of frozen peas during 1982/83 totaled 368 million pounds, 5-1/2 percent greater than the year before.
- Stocks of frozen peas on July 1 stood 11 percent above a year ago.

Snap Beans

Snap bean processors contracted for 4 percent less area this year, as both freezers and canners scaled back their needs. The cut in frozen acreage was expected because of larger stocks. However, canners cut their acreage despite the prospect of a much smaller 1983/84 carryin. Apparently, canners feel canned snap bean consumption is going to follow the downward trend obvious with canned peas.

Based on projected carryover and acreage data, the 1983/84 canned snap bean supply will probably decline about a tenth to the lowest level since 1972/73. Canners' prices have risen modestly since winter, and the smaller supply should keep prices firm through the coming year.

A reduced frozen pack is also in the offing this year, but sharply higher carryover stocks will likely leave 1983/84 supplies near the record-large 1982/83 level. However, total disappearance has moved up in recent years, so supply could be in fairly good balance with demand. In July, both retail-size and foodservice cartons traded at prices near a year ago. Prices should remain steady until the outcome of this year's production and pack are known.

Other elements affecting the processed snap bean situation:

- Canners' 1982/83 shipments through June 1 totaled 6 percent less than a year earlier, while June 1 stocks were nearly a fourth less.
- During first-half 1983, the wholesale price index for canned green and wax beans averaged 3 percent lower than a year ago.
- Disappearance of frozen snap beans during 1982/83 totaled a record 274 million pounds, 2 percent higher than the previous year.
- The 1983/84 frozen carryover totaled 28 percent higher than 1982/83.

Table 17.—Canned vegetables: Wholesale prices of selected items

Commodity	July 1982	July 1983	Percent change from a year earlier
		Dollars per case	
Snap beans			
24/303	5.50-5.75	6.10-6.35	108
6/10	7.25-7.50	8.95-9.00	127
Sweet corn			
24/303	7.25-8.25	7.75	100
6/10	NA	10.50-10.75	NA
Green peas			
24/303	6.50-6.75	8.00	121
6/10	9.75-10.00	10.75-11.00	110
Whole tomatoes			
24/303	8.85-8.88	7.50	85
6/10	12.05	12.25	102
Tomato paste			
6/10	23.10	23.60	102
55-gallon drums (cents per pound)	.68	.52	76

N.A. = Not available.

SOURCE: American Institute of Food Distribution.

Table 18.—Frozen vegetables: Wholesale prices of selected items[1]

Commodity	July 1982	July 1983	Percent change from a year earlier
		Dollars	
Snap beans			
Retail	7.50-7.95	7.95	100
Foodservice	.45-.50	.45-.50	100
Sweet corn, cut			
Retail	7.80	7.80	100
Foodservice	.49	.49	100
Sweet corn, cob			
Retail	9.88	9.85-9.88	100
Foodservice	9.38	9.38-9.40	100
Green peas			
Retail	7.80-8.20	8.20	102
Foodservice	.49-.51	.51	102
Broccoli, spears			
Retail	10.40-10.55	10.55	101
Foodservice	.57-.60	.57-.60	100

[1]Retail-size prices are dollars per case of 24/10-ounce (or 9-ounce) packages. Foodservice case prices are in terms of dollars per pound for 12/2-1/2 pound packages.

SOURCE: American Institute of Food Distribution.

Sweet Corn

Because of record-large 1982 packs and large supplies, sweet corn processors contracted for 7 percent less area this year, the largest cutback of the major vegetables. However, supplies during 1983/84 should still be plentiful as large carryover stocks will probably offset the smaller packs.

Carryover stocks of canned sweet corn could be record large, but with canned contract acreage down 5 percent, total supplies will likely be slightly less during 1983/84. Hot dry weather during July in the Midwest, which accounts for 75 to 80 percent of the pack, could affect crop yields and further constrict the 1983/84 supply. However, supplies should be ample enough to maintain fairly steady prices through the rest of 1983.

Frozen processors in March intended to decrease 1983 contract plantings by 6 percent, but faced with record-high stocks, they cut back acreage by 10 percent. That cutback will more than offset a doubling of carryover stocks and leave 1983/84 supplies moderately less. In July, freezers quoted prices of both retail-size and food-service cartons at year-earlier levels. The prospective 1983/84 supply suggests steady prices into 1984.

Hokkaido Island in Japan is also a significant sweet corn producing area, supplying roughly one-third of the country's output. If the crop there does not recover from the adverse weather, increased imports of frozen and canned sweet corn are possible. Although canned exports to Japan are down more than 40 percent this year, the island nation remains the largest U.S. export market for these items.

Further data on processed sweet corn include:

- Canners' cumulative 1982/83 shipments through June 1 were 1 percent more than a year ago, while stocks were over a third larger.
- The wholesale price index for canned whole kernel sweet corn during January-June averaged 4-1/2 percent lower than a year earlier.
- July 1 frozen stocks of cut corn and on-cob corn totaled 178 and 121 percent greater than last year.
- The combined disappearance of cut and on-cob corn from August through June was up 15 percent from a year earlier. As a result, per capita consumption could reach a record high this year.
- Canned sweet corn exports between July 1, 1982 and May 31, 1983 were 20 percent less than a year ago. Sweet corn is the leading U.S. canned vegetable export item.
- July-May exports of frozen sweet corn trailed last year's pace by 4 percent.

Tomatoes

Contracted tonnage for 1983 by tomato canners totaled 7.2 million, 2 percent more than a year ago. California tonnage rose 3 percent to 6.2 million, but declined 6 percent in the remaining States. However, later-than-normal plantings and less-than-robust growing conditions could lower actual production from the contracted total.

In California, planting was delayed again this year because of wet spring weather, which also affected crop development. Much planted area shifted south from the Sacramento Valley to the San Joaquin Valley because of the late start. It now appears California production will be very heavy in August and the first half of September. Canners were less successful this year in getting growers (and their lenders) to plant for later harvest, which runs the risk of running into the rainy season. Heavy rains in late September 1982 destroyed about 600,000 tons. This year, some growers reduced their later acreage to avoid some of the risk.

Although movement of most tomatoes and tomato products during 1982/83 was running ahead of a year earlier, stocks of most items on April 1 were above last year because of the relatively large supply. Carryover holdings of tomatoes and tomato juice this year will likely be the highest in several years, while those of concentrated tomato products will be somewhat tighter.

Prices of tomatoes and tomato products have typically been steady since falling at the time of last summer's pack. Although this year's production and pack could be similar to 1982/83, larger carryover stocks will likely ensure that 1983/84 supplies are up slightly from the previous season. That indicates steady prices through the rest of 1983.

Through the first 5 months of 1983, total imports of canned tomatoes, tomato sauce, and tomato paste were 22 percent less than a year ago. In 1982, extremely tight U.S. stocks encouraged imports.

Imports could continue to trail off some given the probable 1983/84 domestic supplies, but tomato production in other major producing countries is forecast to increase 4 percent this year. Production in Italy, a major exporter to the United States, is projected to rise 16 percent this year.

Other Key Processed Items

The spring rains seriously affected the packs and supplies of frozen broccoli, spinach, and asparagus. The spring California packs through June 1 totaled 20 to 40 percent less than a year earlier, and July 1 stocks of broccoli and spinach were the lowest for that date since the early 1970's. Although broccoli prices rose in April, they have retreated and are near a year earlier. The current tight stocks might auger some more price rises. Although broccoli acreage for summer harvest is down about a tenth from a year ago, fresh-market demand through July was light, which may allow processors to build up stocks.

POTATOES

Overview and Outlook

Summer Production Down

Summer acreage for harvest, at 94,600, is slightly less than in 1982. Average yield is currently estimated at 203 cwt, the lowest since 1980. Cold, rainy weather in major producing States this spring is a major factor behind the declining yields. Consequently, summer production, at 19.2 million cwt, is down 11 percent from a year earlier.

California, the leading summer State, expects an outturn of 2.6 million cwt, a 17-percent drop from 1982. Bad weather and resulting poor yields, as well as acreage reductions, caused the decline. Virginia, which is usually the second largest summer potato grower, slipped to third place this year behind Texas. That State increased

Table 19.—Potatoes: Acreage, yield per acre, and production, selected seasons, 1981, 1982, and indicated 1983

Seasonal group	Harvested acreage			Yield per acre			Production		
	1981	1982	1983[1]	1981	1982	1983[1]	1981	1982	1983[1]
	1,000 acres			*Cwt*			*Million cwt*		
Winter	11.6	11.0	11.0	189	206	203	2.20	2.26	2.23
Spring	78.0	78.0	75.4	266	264	232	20.76	20.56	17.48
Summer	95.0	96.8	94.6	211	222	203	20.04	21.46	19.19
Total	184.6	185.8	181.0	233	238	215	43.00	44.28	38.90

[1]Revised.

SOURCE: Crop Production, SRS.

Table 20.—Acreage of fall-crop potatoes

State	Planted area			Harvested area		
	1981	1982	1983	1981	1982	1983[1]
			1,000 acres			
California	18.7	18.5	19.0	18.7	18.5	19.0
Colorado	40.5	45.5	44.5	40.0	45.0	44.0
Idaho	335.0	345.0	335.0	330.0	339.0	332.0
Maine	106.0	107.0	95.0	104.0	106.0	93.0
Michigan	32.0	35.0	35.0	30.0	33.0	33.0
Minnesota	73.0	71.0	70.5	70.0	64.0	65.0
New York	45.0	46.8	42.0	43.5	45.5	40.8
North Dakota	119.0	122.0	124.0	115.0	115.0	121.0
Oregon	55.0	53.5	49.2	54.0	52.5	48.5
Washington	108.0	110.0	103.0	108.0	110.0	103.0
Wisconsin	55.0	66.0	63.0	53.5	64.5	60.0
Other	88.5	97.1	96.4	85.8	94.7	94.6
Total	1,075.7	1,117.4	1,076.6	1,052.5	1,087.7	1,053.9

[1]Indicated 1983.

SOURCE: Crop Production, SRS.

its acreage, and with the help of recent favorable weather, anticipates an 11-percent hike in potato production.

Smaller Fall Crop in Prospect; Prices Likely To Gain

Planted area of fall-crop potatoes is estimated at 1.08 million acres, down 3 percent from a year earlier, while harvested acreage is expected to total 1.05 million acres, compared with 1.09 million in 1982. Last season's relatively low prices and reduced contracting by some processors accounted for the cutback.

Not all producing regions show acreage declines. The Central States expect harvested acreage to increase 2 percent, chiefly the result of gains in the Red River Valley. But Wisconsin, the fourth leading U.S. producer, anticipates a 7-percent decrease from 1982.

The Eastern and Western States posted smaller acreage. The seven Eastern States estimate that 163,000 acres of potatoes will be harvested this fall, down moderately from last season. Maine, the leading Eastern producer, expects harvested acreage to be down 12 percent from last fall to 95,000 acres, the smallest since 1903. In the West, harvested acreage is estimated at 576,000. Idaho, Washington, and Oregon—all major growing States—forecast lower area. Of the other Western States, only California and Wyoming show acreage increases.

Based on average yields and the indicated 1983 harvested acreage, this year's fall crop would total 3 to 5 percent less than 1982's 305 million cwt. Grower prices for potatoes typically change 4 to 5 percent for each 1 percent production change in the opposite direction. Therefore, the 1983/84 season average price to growers will likely range from $5 to $5.50 per cwt, compared with $4.59 and $5.41 the previous 2 years.

There are other factors that could further support grower prices in the coming season. Demand for frozen potato products could pick up in coming months with the economy on the mend, and, with lower processed contract tonnage, processors might have to rely on open-market purchases to augment stocks. In addition, the expected decline in 1983 world output could spur some export demand and raise prices.

Grower prices in July averaged $6.91 per cwt, compared with $6.48 a year ago and $3.72 during the winter. Good table and chipping potato demand and smaller spring and summer potato production boosted prices. During the first half of the year, prices were typically below last year's when strong processor demand buoyed prices. For the summer quarter, however, grower prices, at about $6 per cwt, will average moderately more than a year ago and this spring.

Retail prices of table potatoes averaged sharply less than a year ago during the first half of the year, but have also trended upward since spring. As a result, the

Table 21.—Potatoes: U.S. monthly and season average prices received by growers, 1978-82

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Season average[1]
							Dollars per cwt						
1978	3.24	3.20	3.25	3.30	3.84	5.32	6.71	4.92	3.49	3.07	3.08	3.07	3.38
1979	3.09	2.77	2.94	2.82	3.08	3.00	3.41	3.61	3.23	3.14	3.35	3.51	3.43
1980	3.44	3.37	3.23	3.21	3.75	4.35	6.19	7.77	6.02	4.42	5.47	6.63	6.55
1981	7.38	7.51	8.12	8.41	8.22	9.13	9.67	7.06	4.84	4.01	4.44	4.65	5.41
1982	4.71	4.78	5.03	5.59	6.21	7.11	6.48	5.72	4.27	3.79	3.82	3.67	4.59
1983	3.61	3.68	3.88	4.88	6.10	5.72	6.91						[2]5-5.50

[1]Season average price of crop in indicated year.

SOURCE: Agricultural Prices, SRS.

Table 22.—Retail price index for fresh potatoes

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average
							1967=100						
1978	184.5	187.7	187.9	191.8	201.4	240.6	283.9	262.9	221.1	198.5	191.3	190.0	211.8
1979	191.4	194.8	200.1	197.3	203.9	221.5	225.7	211.4	199.3	191.1	195.7	207.0	203.3
1980	203.8	203.3	203.3	201.7	210.1	246.5	310.5	327.1	313.2	295.6	293.0	297.7	258.8
1981	326.1	350.2	363.9	378.1	384.4	414.3	414.9	375.1	329.1	290.4	286.3	286.8	350.0
1982	288.8	297.4	301.0	306.1	320.3	344.9	370.9	328.1	272.4	243.8	240.8	241.3	296.3
1983	236.2	240.6	241.1	258.7	282.3	304.7							[1]260-290

[1]ERS projections.

SOURCE: Consumer Price Index, Bureau of Labor Statistics.

Table 23.—Wholesale price index for frozen french fries

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average
							1967=100						
1978	197.4	195.0	198.9	198.0	197.6	198.1	198.7	207.8	210.1	208.2	210.4	209.6	202.5
1979	209.6	208.7	209.5	210.7	210.4	209.5	209.5	218.8	222.5	220.0	220.2	218.7	214.0
1980	216.9	217.1	216.2	220.0	220.8	226.4	228.7	230.5	233.9	233.8	224.6	232.6	225.1
1981	233.2	226.0	238.1	252.5	253.0	262.4	269.2	270.1	275.2	280.5	281.5	282.2	260.3
1982	282.8	281.2	282.3	280.7	282.4	281.4	280.8	288.3	289.1	192.2	290.9	291.3	277.0
1983	294.6	291.7	292.4	292.2	292.0	292.7							

SOURCE: Producer Price Index, Bureau of Labor Statistics.

retail price index for fresh potatoes this summer will approach last summer's 324 (1967=100).

More on potato production and prices:

- Spring 1983 potato production fell 15 percent from a year earlier because of slightly less harvested area and a substantial drop in yields.
- The retail price index for fresh potatoes during June stood at 305 (1967=100), 12 percent lower than a year ago.
- Shipments of table potatoes from January 1 through mid-July were 3 percent larger than a year ago. Idaho has shipped record-high quantities this year.
- F.o.b. shipping point prices in late July (year-earlier prices in parentheses) were: 50-pound sack of round whites, Virginia Eastern shore, $6 ($2.34); 50-pound carton of Norgold russets, Texas High Plains, $10 ($9.50).

Processed Supplies Up

On July 1, stocks of frozen potatoes totaled 1.0 billion pounds, up 8 percent from a year ago. Frozen french fry stocks, at 841 million pounds, were moderately higher. Other frozen stocks were estimated at 174 million pounds, compared with 158 million last year.

The wholesale price index for frozen french fries in June was 298 (1967=100), compared with 281 in 1982.

The average U.S. retail price stood at 62.6 cents a pound, still moderately below a year ago.

The major processing States used 3 percent fewer potatoes (primarily for freezing and dehydrating) from January through May 1. Based on that and frozen stocks data, disappearance of frozen potato products apparently declined slightly from a year earlier during the first half of 1983. In addition, processors have apparently cut back their contract tonnage. With the economic turnaround, demand for frozen potato products could increase if consumers increase away-from-home food expenditures. Although stocks are now moderately above last year, robust demand during second-half 1983 could draw down holdings and increase product prices.

Shipments for chipping use through July 2 were slightly above last year. Contract prices for the new crop show little change from 1982, but open market prices are sharply higher, reflecting tight supplies. In June, the BLS retail price for potato chips was $2.47 a pound, compared with $2.39 the previous year.

World Potato Production Shows Declines

Bad weather in different parts of the world could result in lower potato production this year. Northern Europe, particularly the Netherlands and the United Kingdom, experienced planting setbacks. The precise effect on output is unknown, due to conflicting reports from various trade and government sources. If the United Kingdom experiences crop shortfalls, they would likely seek to import fresh tablestock potatoes from neighboring EC members rather than the United States. Meanwhile, a shortfall in the Netherlands would lower that counry's export availabilities and present opportunities for U.S. exporters in traditional Dutch markets.

In the Southern Hemisphere, Peru and Boliva harvested sharply smaller potato crops. Peru has made tentative offers to contract up to 200,000 metric tons of table potatoes from the United States, but no transactions have occurred. In addition, in view of possible reduced supplies of European seed stock, U.S. and Canadian seed growers may have additional sales opportunities in Latin America.

In late July, the Department of Commerce made a preliminary determination that fall-harvested round white potatoes from Canada are being, or are likely to be, sold in the United States at less than fair value. A final determination will be made by October 14. The International Trade Commission must then determine if Canadian imports are injuring or threatening to injure U.S. potato growers. In the meantime, importers of round white potatoes from Canada must post a cash deposit or bond equal to 17.9 percent of their f.o.b. value. During January-May 1983, round whites accounted for 60 percent of U.S. potato imports from Canada. Canadian planted acreage this year is estimated at about the same as a year ago.

Terms of Settlement for Futures Contracts Changed

On June 21, 1983, the Commodity Futures Trading Commission approved the use of cash settlements for potato futures contracts. This marked the first time that a contract for a perishable commodity would ultimately be settled with cash, rather than physical deliveries. However, the physical deliveries will initially parallel the cash deals until they are gradually phased out.

It has not been determined what impact, if any, the new settlement terms will have on potato trading. Current feeling among traders and growers can best be summarized as "wait and see."

Table 24.—Sweetpotatoes: Harvested acreage by State, United States, 1981, 1982, and indicated 1983

State and area	1981	1982	Indicated 1983[1]	1983 as percentage of 1982
		1,000 acres		*Percent*
New Jersey	2.5	2.9	2.5	86
Maryland	1.3	1.3	1.1	85
Virginia	2.3	2.2	1.2	55
Central Atlantic	6.1	6.4	4.8	75
North Carolina	39.0	41.0	38.0	93
South Carolina	3.5	4.0	3.5	88
Georgia	5.6	6.3	5.8	92
Lower Atlantic	48.0	51.3	47.3	92
Tennessee	1.8	1.5	1.4	93
Alabama	5.4	5.5	4.9	89
Mississippi	5.2	5.0	4.7	94
Louisiana	26.0	25.0	24.0	96
Texas	7.8	7.2	7.1	99
South Central	46.2	44.2	42.1	95
California	8.9	9.2	8.8	96
United States	109.3	111.1	103.0	93

[1]Indicated as of June 1.

SOURCE: Acreage, SRS

SWEETPOTATOES

Planted Acreage the Lowest on Record

Harvested acreage for sweetpotatoes is estimated at 103,000 this year, 7 percent less than in 1982. Planted area, at 106,800 acres, was the lowest on record. In North Carolina and Louisiana, the sweetpotato crop is rated fair to good. Based on average yields in recent years, production could be down 15 percent.

Growers received an average of $9.17 per cwt during the first half of 1983, compared with $17.21 for the comparable period last year. The unusually large 1982 outturn caused the sharp dip in prices. Grower prices continue to seasonally advance and during the third quarter, are likely to average $9 per cwt, compared with $11.11 last year. With a much smaller crop in prospect, grower prices for 1983/84 are expected to range from $11 to $13 per cwt, compared with $7.87 and $13.60 the previous 2 years.

Between July 1982 and April 1983, canners packed 7.0 million cases of sweetpotatoes, an 11-percent decrease from 1981/82. On April 1, stocks were estimated at 285,000 cases (basis 24/303's) above 1981/82.

F.o.b. prices for canned products have risen since March. In early July, cut potatoes were $10.50 and whole potatoes were $13 per case (24/303's) in the Midwest.

Fresh-market shipments from major growing areas for the 1982/83 season totaled a fifth more than the previous year. Arrivals of sweetpotatoes at major terminal markets were 11 percent larger than during 1981/82.

Table 25.—Quarterly and season average grower prices for sweetpotatoes

Year	1st	2nd	3rd	4th	Season average[1]
			Dollars per cwt		
1978	12.63	16.77	13.68	9.33	10.60
1979	12.47	16.30	15.39	8.49	8.92
1980	10.27	12.83	13.46	12.83	13.60
1981	18.37	23.37	15.63	12.07	13.60
1982	17.20	18.10	11.11	6.54	7.87
1983	8.12	10.23			[2]11-13

[1]Season average price of crop in indicated year. [2]Unofficial ERS estimate.

SOURCE: Agricultural Prices, SRS.

MUSHROOMS

Grower Prices Up, But So Are Canned Imports

Grower prices for fresh and processed mushrooms at Kennett Square, Pa., continued their advance during second-quarter 1983. Prices for fresh No. 1 clean-cut mushrooms in bulk for repacking were between 66 and 72 cents a pound during the 3-month period, compared with 66 cents in 1982. Processed mushrooms sold at 53 cents per pound, moderately above last year.

The producer price index for canned mushrooms averaged 188 (December 1967=100) during April-June 1983, compared with 182 for the comparable period in 1982. Second-quarter retail prices for fresh mushrooms, at 185 cents a pound, were similar to last year's.

During January-March 1983, the domestic production and carryover of canned mushrooms declined from a year earlier. However, sales by domestic producers and apparent consumption rose, possibly in response to improved economic conditions. Imports of canned mushrooms also were above first-quarter 1982.

The continued rise in imports was partially due to the downward adjustment in the temporary rate of duty increase imposed nearly 3 years ago. Action by interested parties was instituted with the International Trade Commission to extend the duty rate increase, but it has since been terminated. The temporary rate increase is scheduled to expire on November 1, 1983. In actuality, the higher duty has not been in effect since April 1982 when loopholes were opened for certain specialty types of mushrooms.

On May 20, the International Trade Administration of the Department of Commerce ruled that canned mushrooms from China were being sold in the United States at less than their fair value. As a result of its preliminary findings, importers (or exporters) of certain canned mushrooms from China must post a bond worth 7.38 per-

Table 26.—Processed mushrooms: U.S. production, stocks, sales, imports, and apparent consumption

	October-December		Marketing year	
	1981	1982	1980/81	1981/82
		1,000 pounds		
Beginning stocks[1]	30,228	16,048	28,140	28,751
Production[1]	24,360	22,660	100,361	98,341
Supply[1]	54,588	38,708	128,501	127,092
Ending stocks[1]	26,008	14,333	28,751	27,253
Sales[2]	29,362	29,816	116,957	113,815
Imports[2]	24,210	29,830	96,503	95,682
Apparent consumption[2]	53,528	59,592	213,121	209,057

[1]Canned mushrooms only. [2]Canned and frozen mushrooms.

SOURCE: U.S. International Trade Commission, Publication 1386.

Table 27.—Canned mushroom imports, total and selected countries

Countries	July-June 1980-1981	July-June 1981-1982	July-May 1981-1982	July-May 1982
		Million pounds		
China, People's Republic of	20.2	33.5	29.8	40.3
China, Republic of (Taiwan)	39.4	30.0	27.3	36.6
Hong Kong	21.4	21.4	20.2	15.4
Korea, Republic of	11.3	6.5	5.7	6.3
Other	3.0	3.5	3.1	4.7
World total	95.3	94.9	86.1	103.3

SOURCE: Bureau of Census.

cent of the f.o.b. value, the weighted average of the estimated dumping margin. The final ruling on this additional imposition will be made on November 14, 1983.

Possible impacts of the above action could include hikes in wholesale and retail prices for canned mushrooms, as importers and exporters pass along their additional costs. It is doubtful there will be any immediate reduction in canned imports, although a shift from Chinese to mushrooms of other origins might take place.

PULSES

Dry Beans

Planted Area the Lowest in Over 60 Years; Prices Rising

Dry bean growers reacted to low prices, reduced exports, and provisions of Federal acreage reduction programs by reducing planted acreage to 1.19 million, the smallest since 1921. That represents a decline of 38 percent from 1982 and nearly 50 percent from 1981's record-large acreage. The planted total was also 20 and 2 percent less, respectively, than the February and May intentions.

Harvest area will decline similarly, with production likely to total 16 to 17 million cwt, down from 24.8 in 1982 and 32.2 in 1981. That total would be the lowest output since 1977. The acreage cutbacks were sharp in all producing States, suggesting almost all varieties will be in shorter supply in the coming year.

Production in other countries will also affect U.S. price prospects. Frosts and earlier dry weather slashed production in Argentina by more than 30 percent. Meanwhile, excessive rains and crop diseases forced a similar-sized reduction in Brazil. As a result, Argentina will have substantially less to export this year, but higher carryover stocks in Brazil will help offset that country's production shortfall.

Drought has reduced the South African crop by more than 60 percent, forcing that nation into the world market to meet its needs. Mexico began buying U.S. beans 3 years ago and sent U.S. production and prices soaring, but has not imported any from the United States in 1982/83 because of its grave financial condition and large stocks. However, economic conditions have improved somewhat, and the Mexicans could enter the market when their stocks are drawn down.

Given the current and expected supply situation, prices should improve from 1982/83. Growers will likely receive a season average price of $20 to $25 per cwt, compared with $13.40 for 1982-crop beans—the lowest price since 1972. However, the high value of the U.S. dollar could limit export demand and temper the probable price gains. Grower prices, at $18.10 per cwt, were above a year earlier for the first time in 2 years during July. For the third quarter, farm prices will likely average $18 to $20, a substantial gain from 1982.

Prices of most classes have moved up since spring. Dealers met grower resistance to the lower prices, and have had to bid up prices to replenish their stocks.

In mid-July, dealer prices for pinto beans typically were between $17.50 and $19 per cwt, about $4 higher than a year ago, while prices of Great Northerns advanced $6. Navy (pea) beans, however, were quoted at about $6 less.

Table 28.—Dry edible beans: U.S. quarterly and season-average prices received by growers

Year	1st	2nd	3rd	4th	Season average[1]
1977	14.87	16.93	15.50	22.90	20.20
1978	21.73	19.53	16.40	16.57	17.30
1979	17.30	18.73	20.73	21.50	22.80
1980	24.76	23.03	25.53	26.00	27.60
1981	28.60	34.20	28.33	23.23	21.00
1982	19.70	18.17	15.67	13.73	13.80
1983	12.07	15.10	[2]18.00		[2]20-25

[1]Season-average price of crop in indicated year. [2]Unofficial ERS projection.

SOURCE: Agricultural Prices, SRS.

Table 29.—Dry edible beans: Dealer prices for selected classes[1]

Class and area	July 1982	July 1983
	Dollars per cwt	
Pintos		
Colorado	14.84	18.78
Idaho	14.75	18.75
North Dakota-Minnesota	13.06	17.79
Great Northerns		
W. Nebraska-E. Wyoming	22.88	28.33
Pea (Navy) Beans		
Michigan	26.56	20.92
N. Dakota-Minnesota	NA	19.75
California		
Large Lima	25.44	35.16
Baby Lima	34.69	32.00
Red Kidney	34.38	25.50

[1]F.o.b. dealer selling prices for carlots and trucklots, basis U.S. No. 1, cleaned and bagged. NA = Not available.

SOURCE: Bean Market News, AMS, Denver.

Table 30.—Dry edible beans: Harvested acreage

State	Harvested area		Indicated	1983 as percentage
	1981	1982	1983[1]	of 1982
	1,000 acres			
California	224.0	226.0	150.0	66
Colorado	185.0	170.0	107.0	63
Idaho	243.0	141.0	98.0	70
Michigan	590.0	550.0	360.0	65
Nebraska	230.0	212.0	130.0	61
North Dakota	415.0	240.0	157.0	65
Other[2]	335.0	225.4	138.0	61
Total	2,222.0	1,764.4	1,140.0	65

[1]Indicated as of June 1. [2]Includes Kansas, Minnesota, Montana, New York, Utah, Washington, and Wyoming.

SOURCE: Acreage, SRS.

1982/83 Exports Less Than Half Of a Year Ago

Through May of the 1982/83 season, exports of dry beans were running 65 percent behind last year. Almost all of the decline is due to Mexico's absence from the market. Mexico bought primarily pinto and black turtle beans, exports of which have plummeted about 97 per-

Table 31.—U.S. pulse exports

Crop/Variety	Total seasonal[1]		Year to date[2]		1983 as percentage of 1982
	1980/81	1981/82	1981/82	1982/83	
	Million pounds				
Dry beans					
Navy	222.9	177.0	155.3	171.5	110
Great Northern	141.5	154.8	124.6	140.3	113
Pinto	698.0	845.8	819.2	21.0	03
Other	412.6	516.5	414.2	170.3	41
Total	1,475.0	1,694.1	1,513.3	503.1	35
Dry peas	237.5	210.6	152.4	214.0	140
Lentils	150.4	158.7	117.3	91.0	78
Total pulses	1,862.9	2,063.4	1,783.0	808.1	45

[1]September-August crop year. [2]Through May.

SOURCE: Bureau of Census.

cent from 1981/82. Exports to all countries except Mexico are slightly below last year. Exports of navy beans and Great Northerns have gained this season, but all other classes are down.

Dry Peas and Lentils

Dry Pea and Lentil Acreage Down

The American Dry Pea and Lentil Association reported this year's planted acreage of green and yellow peas and lentils at 292,000 acres, compared with 391,000 last year. Sharply reduced lentil acreage contributed most to the cutback.

Exports of dry peas during September-April rose more than a third, and shipments to domestic markets in July-April increased moderately. Despite this apparent demand strength, farm prices for both green and yellow peas have ranged lower than last year.

Lentil exports have declined sharply this season in the face of increased competition from Canada and Turkey. The high-valued U.S. dollar also hurt U.S. interests in the international market. Grower prices during 1982/83 have typically been 25 to 30 percent less than a year earlier.

Table 32.—Planted acreage of dry peas and lentils

Class	1981	1982	1983	Percent change from a year earlier
			Acres	
Regular green	65,208	141,035	140,170	99
Small sieve green	15,532	28,943	17,999	62
Yellow	34,444	38,094	33,256	87
Lentils	192,978	182,977	100,960	55
Total	308,162	391,049	292,385	75

SOURCE: American Dry Pea and Lentil Association.

Table 33.—Grower prices of dry edible peas and lentils

Crop	1982			1983		
	Apr.	May	June	Apr.	May	June
	Dollars per cwt					
Green peas	11.75	11.45	11.55	9.30	9.25	9.50
Yellow peas	10.50	10.30	10.15	8.55	8.75	8.65
Lentils	17.25	17.20	16.65	12.30	12.05	12.25

SOURCE: Bean Market News, AMS, Denver.

CONSUMPTION

Total per capita consumption of fresh and processed vegetables (farm-weight equivalent, excluding potatoes and sweetpotatoes) during 1982 totaled 220.9 pounds, compared with 214.8 in 1981 and 215.2 a decade ago. A strong gain in fresh vegetable consumption and slightly higher canned use made up for a small decline in frozen.

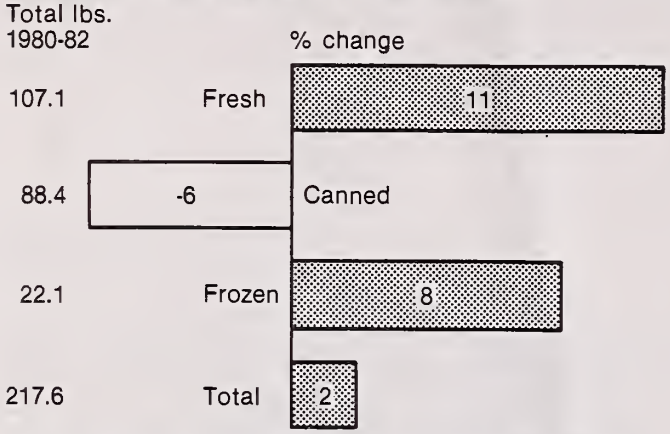
Fresh vegetable consumption last year totaled 109.4 pounds per person, the largest since 1952. That gain continues the upward trend begun in the early 1970's when consumers started to substitute fresh for canned vegetables. During 1980-82, fresh consumption averaged 107.1 pounds, compared with 97.1 during 1970-72. Dietary concerns and the mass-adoption of salad bars by restaurants spurred the rise. Increased preference for salad vegetables such as lettuce, tomatoes, carrots, cucumbers, and peppers have propelled most of the rise in fresh use. Broccoli and cauliflower consumption doubled since the late 1970's, although it is still relatively small compared with the total.

Canned consumption for 1982 was 47.9 pounds per capita, up slightly from last year, but 7 pounds less than a decade ago. Canned vegetables are apparently losing out to fresh, as consumption has waned in the past several years. Tomatoes and tomato products are the only items maintaining consumption levels of the mid-1970's. The popularity of ethnic foods, which use a lot of concentrated tomato products, have propped up the total. The decline in canned consumption in recent years comes after steady increases since World War II because of improved processing techniques and the increase in women working outside the home.

Frozen consumption (excluding potatoes) has grown only slowly over time. In 1982, tight stocks and big price jumps caused consumption to decline to 10.9 pounds from

the record-high 11.5 of 1981. Broccoli and sweet corn have provided most of the growth in frozen use during recent years. In fact, broccoli usurped green peas as the second most popular frozen vegetable in 1982. Increasing popularity of corn-on-the-cob with the foodservice trade has boosted sweet corn use.

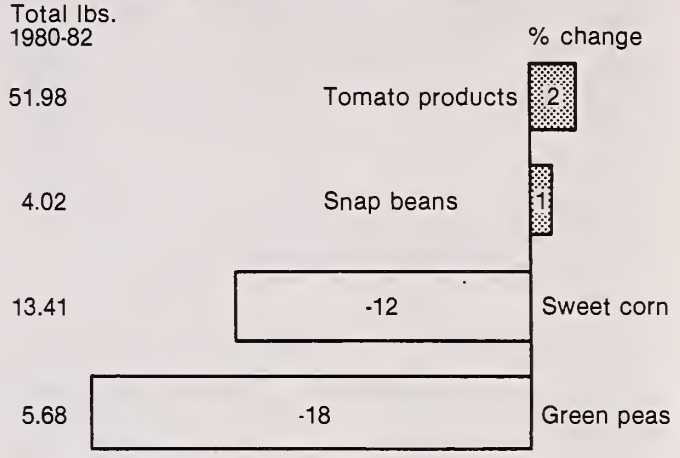
Changes in Vegetable Consumption Per Capita Between 1970-72 and 1980-82*



*Fresh weight basis; excludes potatoes, sweet potatoes and melons. Dehydrated onions included in fresh.

USDA ERS-634-83(7)

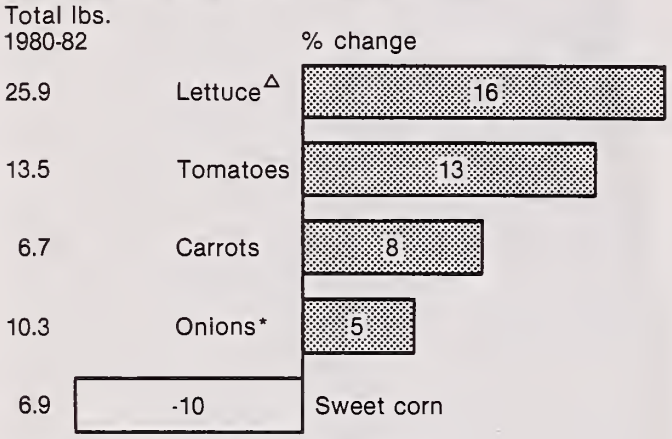
Changes in Canned Vegetable Consumption Per Capita Between 1970-72 and 1980-82*



*Fresh weight basis.

USDA Neg. ERS 8875-83 (7)

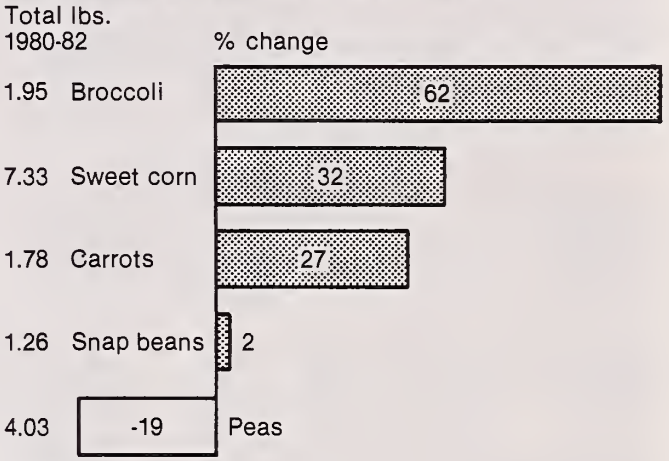
Changes in Fresh Vegetable Consumption Per Capita Between 1970-72 and 1980-82



* Includes about 3 pounds of dehydrated onions.
△Includes escarol.

USDA Neg. ERS 8866-83 (7)

Changes in Frozen Vegetable Consumption Per Capita Between 1970-72 and 1980-82*



*Fresh weight basis.

USDA Neg. ERS 8874-83 (7)

Table 34.—Commercially produced vegetables: Civilian per capita consumption, averages 1947-49, 1957-59, and 1965 to date

Period	Fresh equivalent		As percentage of annual total						
	Total fresh and processed	Fresh[1]	Processed[2]			Fresh	Processed		
			Total	Canned	Frozen		Total	Canned	Frozen
	Pounds						*Percent*		
1947-49	199.7	120.5	79.2	72.6	6.6	60.3	39.7	36.4	3.3
1957-59	199.7	104.1	95.6	81.1	14.5	52.1	47.9	40.6	7.3
Year									
1965	201.0	98.3	102.7	85.3	17.4	48.9	51.1	42.4	8.7
1966	201.5	95.9	105.6	86.7	18.9	47.6	52.4	43.0	9.4
1967	209.4	98.2	111.2	91.3	19.9	46.9	53.1	43.6	9.5
1968	214.9	101.2	113.7	92.7	21.0	47.1	52.9	43.1	9.8
1969	212.9	98.7	114.2	94.9	19.3	46.4	53.6	44.6	9.0
1970	213.6	99.1	114.5	94.0	20.5	46.4	53.6	44.0	9.6
1971	208.9	95.5	113.4	93.3	20.1	45.7	54.3	44.7	9.7
1972	212.9	96.8	116.2	95.8	20.3	45.4	54.6	45.0	9.5
1973	220.2	97.5	122.5	100.8	21.7	44.3	55.7	45.4	9.9
1974	219.8	99.2	120.6	99.9	20.7	45.1	54.9	45.4	9.4
1975	218.3	98.0	120.3	100.7	19.6	44.8	55.2	46.1	9.0
1976	222.7	100.8	121.9	101.6	20.3	45.2	54.8	45.6	9.3
1977	225.1	101.8	123.3	102.5	20.8	45.0	54.9	45.5	9.2
1978	222.0	103.9	118.3	96.9	21.4	46.7	53.2	43.6	9.6
1979	231.6	104.8	126.8	104.1	22.7	45.9	54.2	44.9	10.0
1980	217.1	107.9	110.0	88.9	21.1	48.2	51.8	40.8	9.4
1981	214.8	104.9	110.0	86.7	23.2	45.9	54.1	40.4	10.0
1982[3]	220.9	109.4	111.4	89.6	21.9	49.5	50.5	40.6	9.9

[1]Includes dehydrated onions and excludes melons. [2]Data includes pickles and sauerkraut in bulk; excludes canned and frozen potatoes, canned sweetpotatoes, canned baby foods and canned soups. [3]Preliminary.

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Table 35.—Commercial fresh vegetables and melons: Civilian per capita consumption, farm weight, 1962, 1967, and 1972-1982[1]

Calendar year	Vegetables													
	Tomatoes	Leafy, green and yellow												
		Artichokes	Asparagus	Snap beans	Broccoli	Brussel sprouts	Cabbage	Carrots	Lettuce and escarole[5]	Green peppers	Spinach	Miscellaneous[3, 4]	Total
	Pounds													
1962	12.7	.2	.6	2.3	.3	.1	9.8	7.0	20.5	2.3	.7	6.0	49.8
1967	12.4	.4	.4	2.0	.3	.1	9.1	6.5	22.1	2.6	.6	4.1	48.2
1972	12.1	.3	.5	1.6	.7	(2)	8.8	6.5	23.2	2.7	.5	4.5	49.3
1973	12.5	.3	.4	1.5	.8	(2)	8.9	6.7	23.7	2.8	.5	4.2	49.8
1974	11.8	.3	.4	1.5	.8	(2)	9.1	6.9	24.2	3.0	.4	4.4	51.0
1975	11.9	.3	.4	1.6	1.0	(2)	9.1	6.4	24.2	3.1	.5	4.3	50.9
1976	12.6	.3	.4	1.6	1.1	(2)	8.8	6.4	24.9	2.8	.5	4.5	51.3
1977	12.4	.3	.4	1.5	1.2	(2)	8.5	5.0	26.4	3.4	.6	5.3	52.6
1978	13.2	.2	.3	1.4	1.1	(2)	8.9	5.9	26.2	3.4	.6	5.1	53.1
1979	12.9	.4	.3	1.4	1.5	(2)	8.5	5.8	26.5	3.6	.7	5.6	54.3
1980	13.4	.3	.3	1.4	1.6	(2)	8.6	6.3	27.3	3.6	.8	6.0	56.3
1981	13.3	.5	.3	1.4	1.8	(2)	8.6	6.4	26.2	3.5	.9	5.5	55.2
1982[9]	13.9	(4)	(4)	(4)	2.2	(2)	(2)	7.4	25.3	(4)	(4)	23.0	57.9

See footnotes at end of table. Continued—

Table 35.—Commercial fresh vegetables and melons: Civilian per capita consumption, farm weight, 1962, 1967, and 1972-1982—Continued

Calendar year	Vegetables										Melons			Total vegetables and melons	Total Dehydrated onions
	Other														
	Cauliflower	Celery	Corn	Cucumbers	Eggplant	Garlic	Onions and shallots[6, 7]	Miscellaneous[3, 4]	Total	Total vegetables	Watermelons	Cantaloups	Total melons		
	Pounds														
1962	1.2	7.2	8.3	2.8	.4	.2	11.7	7.0	38.8	101.3	14.6	8.5	23.1	124.4	NA
1967	1.0	6.8	8.0	3.1	.4	.4	12.1	5.8	37.6	98.2	14.2	8.1	22.3	120.5	NA
1972	.8	7.1	7.8	3.3	.5	.4	9.8	5.7	35.4	96.8	13.1	8.7	21.8	118.6	2.0
1973	.8	7.5	8.0	3.0	.6	.5	9.2	5.6	35.2	97.5	13.7	7.9	21.6	119.1	2.4
1974	.8	7.3	7.6	3.4	.5	.7	10.5	5.6	36.4	99.2	11.8	7.0	18.8	118.0	2.8
1975	.9	7.0	7.8	3.1	.6	.8	9.5	5.5	35.2	98.0	12.1	6.8	18.9	116.9	3.0
1976	1.0	7.4	8.1	3.6	.6	.5	10.0	5.7	36.9	100.8	13.3	6.9	20.2	121.0	2.3
1977	1.1	7.0	7.7	3.9	.6	.8	10.0	5.7	36.8	101.8	13.6	7.5	21.1	122.9	2.7
1978	.9	7.3	7.4	4.2	.6	.8	10.3	5.7	37.2	103.5	12.8	9.0	21.8	125.3	2.7
1979	1.3	7.4	7.3	4.3	.6	1.0	9.7	5.9	37.5	104.8	12.3	8.5	20.7	125.5	4.5
1980	1.3	7.8	7.0	4.3	.6	1.0	9.8	5.5	37.4	107.1	11.5	7.8	19.3	126.4	3.1
1981	1.6	7.7	6.9	4.4	.6	.7	9.8	4.4	36.3	104.8	12.3	8.5	20.9	125.7	2.6
1982[9]	1.6	7.8	6.8	(4)	(4)	(4)	11.4	9.9	37.5	109.4	(8)	(8)	22.4	131.8	4.1

N.A. = Not available. [1]Excludes quantities produced in home gardens. [2]Less than 0.5 pounds. [3]Beginning 1960 lima beans (unshelled), kale, and green peas (unshelled), included leafy, green and yellow minor vegetables, and beets included in other minor vegetables. [4]Beginning 1982, artichokes, asparagus, snap beans, brussels sprouts, cabbage, escarole, green peppers and spinach included in leafy, green, and yellow miscellaneous, and cucumbers, eggplant, and garlic included in other miscellaneous vegetables. [5]Beginning 1982, lettuce only. [6]Includes less than 0.05 pounds of shallots through 1967; since 1968, included in minor vegetables. [7]Excludes dehydrated onions beginning 1971. [8]Data not available due to crop production reporting cutbacks. [9]Preliminary.

Table 36.--Canned vegetables: Per capita consumption, processed weight, 1962, 1967, and 1972-1982 1/

Period	Leafy, green, and yellow vegetables							Tomato products					Other vegetables						
	Asparagus	Lima beans	Snap beans	Carrots	Peas	Pumpkin and squash	Spinach	Whole tomatoes	Catsup and chili sauce	Paste and sauce	Pulp and puree	Tomato and other vegetable juices 2/	Beets	Corn	Pickles	Sauerkraut	Sweet potatoes	Other 3/	Total 7/
	Pounds																		
1962	.8	.4	4.5	.6	4.1	.6	1.0	4.6	4.1	4/3.9	.8	4.7	1.4	5.5	5.6	1.4	1.3	2.0	47.3
1967	.7	.4	5.1	.7	4.1	.5	.7	4.6	4.7	4/5.0	1.0	4.2	1.4	5.4	7.3	1.4	1.1	2.3	50.6
1972	.6	.3	5.8	.8	3.8	.6	.8	5.1	5/10.2		1.1	3.7	1.5	6.5	7.8	1.4	1.1	4.1	55.9
1973	.7	.3	5.9	.6	4.2	.6	.9	5.7	5/11.2		1.2	3.3	1.3	6.4	7.9	1.4	1.3	4.3	57.3
1974	.5	.3	5.9	.6	3.5	.6	.8	4.9	5/11.9		1.2	3.6	1.3	6.0	7.7	1.5	1.4	4.7	56.4
1975	.5	.3	5.5	.6	3.4	.6	.6	4.9	5/13.4		1.0	3.6	1.3	5.0	7.7	1.3	.9	4.0	54.6
1976	.6	.3	5.9	.5	3.6	.5	.6	5.1	5/13.1		1.1	2.8	1.3	5.7	8.3	1.4	.9	3.2	54.9
1977	.4	.4	5.8	.6	3.8	.4	.6	5.1	5/13.2		.9	3.1	1.4	6.2	8.1	1.4	.8	3.1	55.3
1978	.3	.3	5.9	.5	3.6	.5	.7	5.2	5/12.6		1.0	3.6	1.4	5.9	8.1	1.3	1.1	2.3	54.4
1979	.3	.3	5.8	.5	3.2	.6	.8	5.7	5/14.6		1.0	2.8	1.2	5.7	8.3	1.3	.9	2.4	55.6
1980	.3	.3	6.3	.5	3.3	.4	.5	6.0	5/9.9		.9	3.1	1.2	5.8	7.8	1.3	.7	2.3	50.6
1981	.3	.3	5.3	.4	3.0	.4	.5	6.1	5/10.8		.9	1.8	1.2	5.1	7.5	1.2	.9	2.0	47.7
1982 6/	.3	.3	5.3	.3	3.0	.4	.5	6.1	5/11.5		.9	1.7	1.1	5.4	6.9	1.0	.8	2.5	47.9

1/ Excludes soups and baby food. Civilian consumption only. 2/ Based on information available for 1944-46, tomato juice comprises approximately 85 percent of the total, combination vegetable juices 13 percent, and other vegetable juices 2 percent. Combination vegetable juice contains approximately 70 percent or more tomato juice. 3/ Includes miscellaneous greens, pimentos, potatoes, mixed vegetables, and all items, especially in earlier years, for which no separate data are available. 4/ Estimated. 5/ Estimate combines paste, sauce, catsup and chili sauce. 6/ Preliminary. 7/ Total do not add due to rounding.

Table 37.--Frozen vegetables: Per capita consumption, processed weight, 1962, 1967, and 1972-1982 1/

Period	Leafy, green, and yellow vegetables										Other vegetables								
	Asparagus	Snap beans	Lima beans	Carrots	Peas	Peas and carrots	Pumpkin and squash	Broccoli	Brussels sprouts	Southern greens	Spinach	Other 2/	Cauliflower	Corn cut-basis:	Succotash	Onions	Rhubarb	Potato products	Total 3/
	Pounds																		
1962	.2	.8	.7	.4	1.8	(4)	.1	.6	.2	(4)	.6	1.1	.2	.9	(4)	(4)	(5)	3.8	11.3
1967	.2	.9	.7	.7	1.9	(4)	.1	.8	.2	(4)	.7	1.1	.3	1.6	(4)	(4)	(5)	7.6	16.6
1972	.1	1.1	.7	.8	1.8	(4)	.1	1.0	.2	(4)	.7	1.1	.4	1.5	(4)	.5	(5)	12.2	22.1
1973	.1	1.1	.7	1.0	1.8	(4)	.2	1.1	.2	(4)	.7	1.3	.4	1.6	(4)	.5	.1	13.2	23.8
1974	.1	1.1	.6	1.0	1.7	(4)	.1	1.0	.3	(4)	.8	.9	.4	1.6	(4)	.5	.1	13.1	23.2
1975	.1	.9	.6	.9	1.7	(4)	(4)	.9	.2	.3	.7	.9	.4	1.5	(4)	.6	(4)	13.7	23.3
1976	.1	1.1	.5	.9	1.6	(4)	(4)	1.0	.3	.3	.7	1.1	.4	1.5	(4)	.7	(4)	14.6	24.7
1977	.1	1.0	.5	1.0	1.5	(4)	(4)	1.1	.2	.3	.7	.9	.4	1.7	(4)	.7	(4)	15.7	26.0
1978	.1	1.0	.5	1.0	1.6	(4)	(4)	1.4	.3	.3	.7	.9	.5	1.8	(4)	.7	(4)	17.2	27.9
1979	.1	1.1	.5	1.1	1.7	(4)	(4)	1.3	.3	.4	.7	.8	.5	2.1	(4)	.7	(4)	17.7	29.0
1980	.1	1.0	.5	.9	1.5	(4)	(4)	1.4	.3	.2	.8	.7	.5	1.9	(4)	.7	(4)	16.9	27.3
1981	.1	1.1	.5	1.0	1.6	(4)	(4)	1.5	.3	.3	.8	1.0	.6	2.1	(4)	.7	(4)	18.2	29.7
1982 6/	.1	1.1	.5	1.0	1.4	(4)	(4)	1.5	.3	.3	.7	1.0	.5	2.0	(4)	.8	(4)	18.1	28.8

1/ Civilian consumption only. 2/ Included with leafy, green, and yellow because most items included are considered to be green. 3/ Computed from unrounded data. 4/ Included with "other". 5/ Less than .05 pounds. 6/ Preliminary.

Table 38.—Civilian per capita consumption of selected commercially produced fresh and processed vegetables[1] United States, calendar years 1971-82

Commodity	Fresh equivalent basis											
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982[2]
	Pounds											
Asparagus												
Fresh	.40	.50	.40	.40	.40	.40	.40	.30	.30	.30	.30	(8)
Canned	.73	.70	.83	.61	.64	.66	.48	.45	.33	.33	.37	.32
Frozen	.24	.19	.21	.19	.17	.21	.17	.17	.14	.12	.11	.10
Beans, lima[3]												
Canned	.50	.44	.43	.42	.37	.41	.47	.39	.22	.19	.17	.17
Frozen	1.35	1.45	1.46	1.32	1.14	1.00	1.12	1.03	1.04	.99	1.06	.99
Beans, snap												
Fresh	1.60	1.60	1.60	1.50	1.60	1.60	1.50	1.40	1.40	1.40	1.40	(8)
Canned	4.00	3.97	4.00	4.02	3.80	4.07	3.99	3.82	4.16	4.52	3.75	3.78
Frozen	1.22	1.26	1.34	1.27	1.04	1.35	1.18	1.19	1.29	1.16	1.33	1.28
Broccoli												
Fresh	.70	.70	.80	.80	1.00	1.10	1.20	1.11	1.50	1.60	1.80	2.20
Frozen	1.19	1.32	1.41	1.38	1.27	1.38	1.53	1.83	1.78	1.86	2.02	1.97
Cabbage												
Fresh	9.20	8.80	9.00	9.10	9.10	8.80	8.50	8.90	8.50	8.60	8.60	(8)
Canned[4]	2.46	2.18	2.18	2.39	2.08	2.21	2.18	2.06	2.40	2.44	1.94	1.84
Corn[5]												
Fresh	7.50	7.90	8.00	7.60	7.80	8.10	7.70	7.40	7.30	7.00	6.90	6.80
Canned	15.12	15.91	15.68	14.70	12.44	13.96	15.19	14.39	14.09	14.49	12.52	13.23
Frozen	5.41	5.41	5.88	5.78	5.63	5.69	6.46	6.71	7.58	7.18	7.58	7.24
Cucumbers												
Fresh	3.10	3.30	3.00	3.40	3.10	3.60	3.90	4.20	4.30	4.30	4.40	(8)
Canned[6]	5.63	5.80	5.88	5.74	5.76	6.14	6.03	6.15	6.19	5.82	5.55	5.16
Peas, green[3]												
Canned	6.83	6.84	7.65	6.30	6.19	6.48	6.90	6.33	5.85	5.93	5.59	5.52
Frozen	4.92	4.92	4.80	4.74	4.59	4.36	4.07	4.15	4.60	4.18	4.22	3.70
Spinach												
Fresh	.50	.40	.50	.40	.50	.50	.60	.60	.70	.80	1.00	(8)
Canned	.58	.64	.72	.69	.48	.46	.46	.54	.74	.46	.43	.42
Frozen	1.04	1.03	.96	1.13	.92	1.01	1.03	1.05	1.01	1.08	1.07	.98
Tomatoes												
Fresh	11.40	12.20	12.60	11.80	11.90	12.60	12.40	13.20	12.90	13.40	13.30	13.90
Canned[7]	50.23	51.72	55.76	57.31	61.75	60.36	60.60	58.16	65.75	50.22	51.61	54.11

[1]Data for processed vegetables excludes quantities consumed in commercially produced soups, and baby foods and in canned wholesale mixtures such as peas and carrots and succotash. [2]Preliminary. [3]"In pod" basis. [4]Sauerkraut, canned and bulk. [5]"On-cob" basis. [6]Pickles, canned and bulk. [7]Including canned whole tomatoes and tomato products other than soup. [8]Beginning 1982, data not available.

Table 39.—Potatoes, sweetpotatoes, dry edible beans, and dry field peas: Per capita consumption, primary distribution weight 1962, 1967, and 1972-1982[1]

Period	Potatoes[2]	Sweet-potatoes[3]	Dry edible beans[4]	Dry field peas[5]
		Pounds		
1965	107	6.7	7.6	.8
1967	108	5.8	6.9	.2
1972	119	5.1	5.6	.3
1973	116	5.1	7.0	.5
1974	113	5.4	5.0	.4
1975	121	5.5	6.5	.4
1976	115	5.4	6.0	.4
1977	120	4.9	6.2	.2
1978	121	5.4	4.8	.4
1979	124	5.6	4.7	.4
1980	118	5.7	4.6	.4
1981	115	5.7	5.7	.4
1982[6]	120	6.0	6.0	.4

[1]Civilian consumption only. [2]Farm weight basis, calendar years. Includes farm garden produce but not nonfarm. Includes table-stock and processed potatoes. [3]Includes canned sweetpotatoes. [4]Cleaned basis, calendar years. [5]Cleaned basis, crop years beginning approximately September of year indicated. [6]Preliminary. Final data to appear in October issue.

Potato Prices' Relation to Supply and Demand Factors

By Glenn Zepp and Eugene Jones*

ABSTRACT: Relatively large price changes are required to bring consumer purchases of potatoes in line with changes in potato production. Consequently, the U.S. average farm price changes 4 to 5 percent for each 1-percent change in total potato production. Increasing consumer incomes in United States have resulted in greater potato use. Each 1-percent change in the U.S. average per capita income causes about a 1-percent change in potato prices. Higher consumer income boosts the demand for processing potatoes more than for fresh potatoes. Increases of women in the work force also raise the demand for processing potatoes, and reduce the demand for fresh. Potato farmers cope with cost-price squeezes by stressing production efficiency, forward contracting a portion of their crop, and supporting industry promotion activities.

KEYWORDS: Potatoes, prices, potato prices.

Total production is not only the most influential factor affecting potato prices; it also brings about percentage changes in price much greater than the percentage change in supply. But, demand considerations help determine prices too: consumers' income, the prices and consumption of foods either substituting for or complementing potatoes in people's diets, size of the population, percentage of women in the labor force, the growth in fast-food restaurants, and demographic variables such as age distribution, marital and family status, mobility, and urbanity of the population.

Production and Prices

Relatively large price changes are required to bring consumers' purchases of potatoes in line with changes in production. A 1-percent increase in total potato production causes a 4- to-5 percent decrease in the U.S. average farm price, while a 1-percent decrease in production results in the average price rising 4 to 5 percent. For larger production changes, the effect on price can be approximated by multiplying the impact of a 1-percent production change times the total percentage production change. For example, a 5-percent change in total production causes price to move 20 to 25 percent in the opposite direction.

The data in table 2 illustrate this relationship. In 24 of the 32 years in which the average farm price received by farmers changed from the previous year, total production changed in the opposite direction. And, during the 12 years in which production changed 8 percent or more from the previous year, price moved in the opposite direction an average of 4.02 percent for each 1-percent change in production.

The studies cited in table 1 report price response estimates ranging from about 2 percent to 8 percent for a 1-percent change in production. However, most estimates fall in the vicinity of 5.5 percent, with the greatest number falling between 4 and 5 percent. Estes' study indicates the price response to a 1-percent production change is higher for fresh potatoes than for processing—8.06 percent for fresh versus 4.26 for processing.

Consumers' Income

Rising consumer incomes lead to greater total potato use and tend to raise farm prices. A 1-percent increase in U.S. average per capita income results in a potato price increase estimated at 1.0 to 1.25 percent.

Shuffett estimated that each 1-percent increase in consumers' income would raise farm prices for potatoes by 1.0 to 1.5 percent (see income flexibility coefficients, table 3). Zusman estimated a 0.9-percent increase in the farm price of late potatoes for each 1-percent increase in consumers' income. But Waugh estimated that the price of potatoes declines by 1.44 percent for each percentage increase in consumers' income. This difference in results may be explained by the fact that consumers have a relatively fixed food intake capacity, and substitute other foods for some potatoes in their diet as incomes rise, partially or wholly offsetting the tendency for higher incomes to increase consumption.

One element which stands out clearly is that higher incomes have a different effect on the demand for processing potatoes than on demand for fresh use. Estes found an income elasticity of 0.11 for fresh potatoes and 0.67 for processing potatoes, indicating that as incomes rise, consumers apparently increase their use of processed potato products more than they do use of fresh potatoes. Additionally, as incomes rise, more meals may be eaten away from home, where frozen french fries and other frozen potato products make up an important part of the menu.

Women in the Work Force

When the homemaker works outside the home, less time is available for home food preparation, and the use of partially prepared foods such as frozen and dehydrated potato products rises relative to the use of fresh potatoes. Estes found that as the number of women in the labor force increased by 1 percent, the quantity of potatoes purchased for fresh use decreased by about 1 percent, while the quantity of potatoes purchased for use in processed products increased by 4.7 percent (table 3).

Fast-Food Industry Growth

Rapid growth in the fast-food industry has expanded the demand for potatoes. Marketing specialists estimate

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that as much as 60 percent of all frozen potato products are marketed through fast-food restaurants. Consumer expenditures at fast-food establishments increased from $3.4 billion in 1967 to $11.8 billion (1967 constant dollars) in 1982. The expansion was most rapid during the 1960's and early 1970's, running about 20 percent per year.[1]

Implications

Technological improvements in potato production tend to raise yields per acre and enhance total supplies. Since the underlying demand is so immobile that relative modest increases in supply result in large price declines, increases in total supply brought on by technological advances have resulted in continuing downward pressure on potato prices. Rising consumer incomes, increasing population, and changing buying patterns have partially offset the price-reducing effect of increased production. However, the industry is likely to continue adopting yield-increasing technology, which will raise production and put more downward pressure on potato prices.

What can the individual grower, who has no control over total production, do to cope with low prices? One strategy is to concentrate on production efficiency and achieve the lowest possible production costs per unit. Even the most efficient growers may not realize profits every year, but they will have profitable seasons more often than less efficient producers and will be better able to weather extremely low prices.

A second strategy growers may take is to forward contract part of their crop to guarantee some minimum price on a portion of their potatoes. In addition to guaranteeing a minimum price, contracts can include incentive clauses which permit growers to realize higher prices by producing potatoes to the buyers' specifications.

A third strategy is enhancement of demand. By supporting industry advertising and promotion at both the State and the national levels, growers may increase potato consumption and prices.

[1]Based on data from U.S. Census of Business.

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Table 1.—Potatoes: Selected demand studies with farm level demand elasticity and price flexibility estimates for potatoes

Author	Geographical area	Time period	Form of potatoes	Season	Price elasticity	Price flexibility	Implied percentage change in farm price for each one percent change in total production[1]	
	Percent							
Estes [2]	U.S.	1955-75	Fresh	Fall	−.124	N.A.	At least	−8.06
	do.	do.	Processed	Fall	−.235	N.A.	At least	−4.26
Simmons [4]	do.	1930-41	All	Total crop	−.21	N.A.	At least	−4.76
	do.	1951-60	do.	Late summer and fall	−.20	N.A.	At least	−5.00
	do.	do.	do.	Late spring	−.25	N.A.	At least	−4.00
Shuffett [3]	U.S.	1921-41	do.	Early and intermediate crop	N.A.	−2.11	−2.11	
	do.	do.	do.	Late crop	N.A.	−4.03	−4.03	
	do.	do.	do.	Total crop	N.A.	−3.52	−3.52	
Waugh [5]	do.	1948-62	do.	Total crop	N.A.	−5.28	−5.28	
Zusman [6]	do.	1935-58	do.	Late crop	N.A.	−7.22	−7.22	

[1]Price elasticity and price flexibility coefficients provide measures of the relationship between changes in quantity and changes in market-clearing prices. Price elasticity is defined as the effect of a 1-percent change in price on the percentage change in quantity demanded, the influences of all other factors held constant. Price flexibility represents the percentage change in price associated with a 1-percent change in quantity, other factors constant. [2]The reciprocal of elasticity provides an estimate of the lower bound of the absolute value of the price flexibility. Hence, the estimates developed from elasticity are expressed in terms of "at least". The negative sign indicates price changes in the opposite direction from the quantity change. For example, according to the Estes estimate for fresh potatoes, a one percent decrease in production results in a 8.06 percent increase in price while a one percent increase in production results in a 8.06 percent decline in price.

N.A. = Not applicable.

Table 2.—Potatoes: Total U.S. production and price, 1950-1980

Year	Total U.S. production	U.S. average price received by farmers	Percentage change from previous year		Percentage change in price for each one percentage change in production
			Production	Price	
	Million cwt	*Dollars/cwt*	*Percent*		*Ratio*
1950	259.0	1.50	3.6	−28.6	−7.9
1951	195.8	2.68	−24.4	78.7	−3.2
1952	211.1	3.21	7.8	19.8	2.5
1953	231.7	1.31	9.8	−59.2	−6.0
1954	219.5	2.15	−5.3	64.1	−12.1
1955	227.7	1.77	3.7	−17.7	−4.8
1956	245.8	2.02	7.9	14.1	1.8
1957	242.5	1.91	−1.3	−5.4	4.2
1958	266.9	1.31	10.1	−31.4	−3.1
1959	245.3	2.27	−8.1	73.3	−9.0
1960	257.1	2.00	4.8	−11.9	−2.5
1961	293.2	1.36	14.0	−32.0	−2.3
1962	264.5	1.67	−9.8	22.8	−2.3
1963	271.2	1.78	2.5	6.6	2.6
1964	241.1	3.50	−11.1	96.6	−8.7
1965	291.1	2.53	20.7	−27.7	−1.3
1966	307.2	2.05	5.5	−19.0	−3.5
1967	305.0	1.87	−0.7	−8.7	12.4
1968	295.4	2.23	−3.1	19.3	−6.2
1969	312.4	2.23	5.7	0	0
1970	325.7	2.20	4.2	−1.3	−0.3
1971	319.3	1.90	−2.0	−13.6	6.8
1972	296.4	3.01	−7.2	58.4	−8.1
1973	300.0	4.89	1.2	62.4	52.0
1974	342.4	4.01	14.1	−18.0	−1.3
1975	322.3	4.48	−5.9	11.7	−2.0
1976	357.7	3.59	11.0	−19.9	−1.8
1977	355.3	3.55	−.7	−1.1	1.6
1978	366.3	3.38	3.1	−4.8	−1.5
1979	342.5	3.43	−6.5	1.5	−0.2
1980	302.9	6.55	−11.6	91.0	−7.8
1981	338.6	5.41	11.8	−17.4	−1.5
1982	349.3?PO	4.59	3.2	−15.2	−4.8

P = Preliminary.

SOURCE: [1].

Table 3.—Potatoes: Selected estimates of income elasticity and convenience elasticity in the United States

Author	Time period	Form of potatoes	Season	Income flexibility[1]	Income elasticity[2]	Convenience elasticity[3]
Estes [2]	1955-75	Fresh	Fall	N.A.	0.11	−1.056
	do.	Processed	do.	N.A.	.67	4.715
Shuffett [3]	1920-41	All	Early and intermediate	.97	N.A.	N.A.
	do.	do.	Late crop	1.43	N.A.	N.A.
	do.	do.	All potatoes	1.48	N.A.	N.A.
Waugh [5]	1948-58	All	All potatoes	−1.44	N.A.	N.A.
Zusman [6]	1938-58	All	Late crop	.91	N.A.	N.A.

[1]Income flexibility coefficients provide a measure of the relationship between change in consumers' income and change in market-clearing price. Income flexibility is defined as the effect of a 1-percent change in income on the percentage change in price, all other factors held constant. [2]Income elasticity coefficients provide a measure of the relationship between changes in income and change in quantity purchased. Income elasticity is defined as the affect of a 1-percent change in income on the percentage change in quantity purchased, all other factors held constant. [3]Convenience elasticity was defined as the effects of a 1-percent change in the number of women in the work force on the percentage change in quantity purchased, all other factors held constant.

N.A. = Not applicable.

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